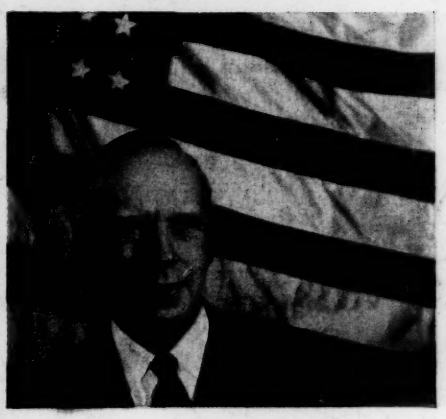
U.S. News & World Report

APRIL 29, 1955 20 CENTS

LATEST FORECAST FOR BUSINESS IN '56

PURDUE UNIVERSITY
APR 26 1955

Shall Doors Be Opened to Spies & Subversives?



—Asks

Attorney General Brownell In an Exclusive Interview

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MASSACRE IN THE CORNFIELD

UNDERGROUND PESTS are lying in ambush to massacre young corn. By cutting off the roots, they prevent the growing plant from getting proper nourishment, and the first stiff breeze that comes along will topple the stalks. Expensive replanting in the spring or difficult harvesting in the fall is the result.

But aldrin, a powerful insecticide, is "heap bad medicine" for soil insects such as corn rootworms and white grubs. The massacre in the cornfield now is the way *farmers* want it.

Aldrin is another example of the many Shell Chemical advances which improve agricultural and industrial products.

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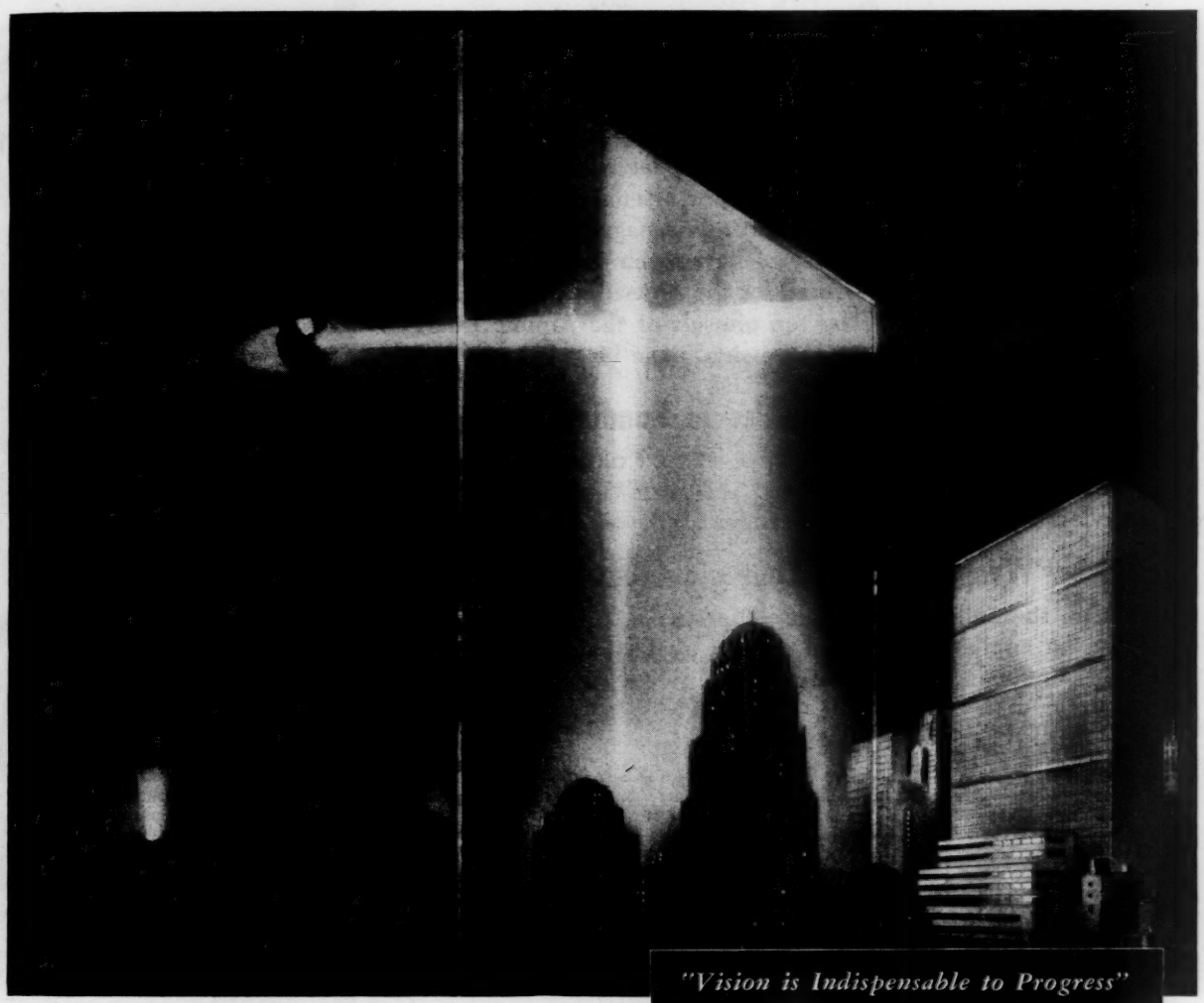
Chemical Partner of Industry and Agriculture

NEW YORK



"Vision is Indispensable to Progress"

Through glass man's magic view of progress

What glass means to modern living is plainly evident in its glint and shine and sparkle all around us . . . glass in building construction, in packaging and tableware, in science and communication, in medicine and industry.

The dazzling vista ranges through tens of thousands of forms – from the incredibly delicate filament of nuclear research equipment to the giant 200-inch mirror of the Mount Palomar telescope. Here is a material so versatile that it may be kneaded like dough, blown into bubbles, drawn into threads, woven into fabric, shaped like clay, rolled and pressed and cut and engraved!

Glass has companioned the whole progress of man, yet only in the past 100 years and particularly since 1900, have we begun to appreciate and exploit its almost limitless possibilities. Today this magic material of utility, beauty, safety and efficiency is on the threshold of its greatest era of development.

Glimpsing the future through glass, we see continuing research, improved methods of craftsmanship and manufacture achieving amazing flexibility, sensitivity and strength. By steadily widening the frontiers of service for its products, the glass industry presents a crystal-clear example of how our system of free economy leads American enterprise to higher and higher attainment on the road of progress.

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★ Are Atomic Tests Worth the Risk?

Here, finally, are the facts, from the highest sources, on exactly what this year's 12 tests have produced in the way of a new arsenal of atomic weapons, starting on page 23. And the real story of how much danger these tests entail for the American people, as told by top officials of the Atomic Energy Commission, page 96.

★ How the Communists Failed at Bandung

Communist hope was to unite colored nations against the West. For what really happened, see page 40 and exclusive interview with Representative Adam C. Powell, Jr., page 42.

★ New Weapon against Contagious Disease?

Can the Salk technique, used so successfully against polio, now be applied with equal success against virus pneumonia, colds, influenza? For a heartening preview, see page 29.

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WORLD REPORT

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WHY KENTUCKY PIGS DIE HAPPY

by
J. P. Van Winkle
President
Stitzel-Weller
(Old Fitzgerald)
Distillery
Louisville, Kentucky
Established 1849

Kentucky porkers die happy when they're downright sure their shanks will wind up on the platter as genuine Kentucky country ham.

And what a morsel it is! Smiling up at you from its own red-eye gravy, it's something to say grace over!

Preparation of this Kentucky confection is more ritual than chore. The moon hangs just so as the process begins. There's been many a bitter feud in defense of a brine formula.

Curing recipes are whispered from father to son, and reputations hang from many a smokehouse string.

As to the curing, some folks say the farmer who raised the pig may marry, bring up his young 'uns and pass to his Maker before the ham is decreed fitly mellow for the pan.

Good things in Kentucky have a way of growing slowly. This goes too for my specialty—the distilling and aging of genuine Kentucky Sour Mash Bourbon.

Both our ham and our bourbon call for the finest of grain, and time-in-the-making means no more to the distiller than it does to the hog. Both of us, in the Kentucky tradition, take our own sweet time in perfecting our product.

That's why there's never too much of either to glut the market or overstuff the customer.

Fact is, your aged Kentucky country ham is seldom served "by the slab." Its flavor is too generous for that. It eats best as a combination tid-bit and main course.

Likewise, if you are a man who takes his whiskey somewhat on the sparing side, selecting your brand for enjoyment and not for bulk, you may wish to join the inner circle of discriminating hosts who have discovered the satisfying flavor of OLD FITZGERALD in modest helpings, and find it good business to share, in moderation, with associates and friends.

Bonded 100 Proof Original Sour Mash Kentucky Straight Bourbon

The March of the News

VACCINE PROBLEMS

FREE ANTIPOLIO INOCULATIONS for first and second graders were delayed temporarily in 23 States as a log jam developed in distributing the Salk vaccine.

The National Foundation for Infantile Paralysis, which is administering the program, announced that enough vaccine had been shipped to provide first shots for about 4 million children, of the 9 million scheduled to get free treatment.

Two reasons were given for the delay in some States: Each batch of vaccine must be tested by Government scientists. And first priority in shipments has been given to the Southern States, where the polio season starts earliest.

In Washington, President Eisenhower called a White House conference to draft a plan for fair distribution of the shots while they are in short supply.

NEWS BLACKOUT ENDS

GOOD MORNING, ALL! was the headline in London's *Daily Mail* as news-starved Britons enjoyed their first national newspapers in 26 days.

The longest and costliest strike in British newspaper history had blacked out most of the nation. London newspapers circulate throughout the British Isles, with 50 million daily and Sunday readers.

Strike leaders, many of whom are Communists, agreed to call off the strike in which 23,000 workers were idled in a dispute over the pay of 700 electricians and maintenance men. Members of the nonstriking unions had been reported ready to put out newspapers in defiance of the strike if no agreement was reached.

PRESIDENTS IN RETIREMENT

JOB HUNTING won't be necessary for former Presidents of the United States if a Senate committee has its way.

"We expect a former President to engage in no business or occupation which would demean the office he has held," the Senate Civil Service Committee said in approving a bill to give each former Chief Executive a $22,500-a-year retirement income, as well as office space, secretarial help and free mailing privileges. Widows of former Presidents would receive $10,000 annually.

If Congress approves the idea, five living Americans will be directly affected: former Presidents Herbert Hoover and Harry S. Truman, and Mrs. Woodrow Wilson, Mrs. Calvin Coolidge and Mrs. Franklin D. Roosevelt.

BIG BLOW IN DUST BOWL

TONS OF TOPSOIL from Colorado farms blew over neighboring States in a vast and spectacular dust storm. Blanketed by haze were most of Kansas and parts of New Mexico, Texas and Oklahoma.

Secretary of Agriculture Ezra T. Benson planned a trip to all five States to inspect the damage. His Department estimates that more than 10 million acres in these States and Nebraska and Wyoming have been damaged by wind erosion since November, and 20 million other acres in the area are ready to blow.

"LOADED" INVITATION

SOVIET MARSHAL Georgi K. Zhukov issued an oblique invitation to President Eisenhower to talk with Russian leaders. In a message to the annual awards dinner of the Overseas Press Club in New York, Russia's Defense Minister suggested that peace was obtainable if the U.S. would meet a series of Soviet demands.

No talks are likely to materialize. The demands had a familiar ring: "liquidation" of U.S. military bases, withdrawal of U.S. forces from other countries, and some other standard Soviet propaganda requests.

REFUND—BUT NO APOLOGY

A TAX-REFUND CHECK for $1,056.73 was displayed by Senator Joseph R. McCarthy (Rep.), of Wisconsin, at a Washington news conference. The refund resulted from a three-year examination by the Internal Revenue Service of the Senator's tax returns for the years 1946 through 1952.

Senator McCarthy demanded an apology from two Senate Committees. In a 1951-52 investigation, a Senate elections subcommittee, headed by Guy M. Gillette, then Democratic Senator from Iowa, raised a series of questions about Mr. McCarthy's taxes. Last year, a committee headed by Senator Arthur V. Watkins (Rep.), of Utah, persuaded the Senate to "condemn" the Wisconsin Senator's conduct in failing to co-operate with the elections subcommittee.

Senator Watkins replied, "No apologies are in order."

The Federal audit, Senator McCarthy said, "should lay to rest finally and forever the story that something is wrong with McCarthy's finances."

Which salesman

made an appointment in advance by Long Distance?

The one who's finding the customer's door is open, of course.

He pinned down his appointment by calling ahead—*Long Distance*. As a result he saved a long lobby wait. And he'll move promptly from this customer to the next.

Make it a habit, *always*, to telephone in advance for appointments. You save time. And many times an appointment call brings an *order*—saves a trip.

You can prove that this idea pays in your business. Why not try it and keep a record of the time and money you save?

BELL TELEPHONE SYSTEM

LONG DISTANCE RATES ARE LOW

Here are some examples:

Baltimore to Philadelphia	**55¢**
Boston to Syracuse	**90¢**
Cincinnati to St. Louis	**$1.00**
Detroit to Dallas	**$1.70**
Los Angeles to New York	**$2.50**

These are the daytime Station-to-Station rates for the first three minutes. They do not include the 10% federal excise tax.

Call by Number. It's Twice as Fast.

NEW CHEVROLET

Now America's No. 1 truck builder brings you features and advances never before available - and they're ready to make and save you money on any job right now!

With their axle-to-axle engineering advances, these new Task-Force trucks do your work in record time with record economy. With their distinctive modern design, they say more and better things about you and your business than any trucks ever built. There are new models, more models, higher capacities than ever. See them at your Chevrolet dealer's . . . today. Chevrolet Division of General Motors, Detroit 2, Michigan.

CHEVROLET

The cab is as new as the view
New Sweep-Sight windshield—new High-Level ventilation—new construction —new comforts throughout!

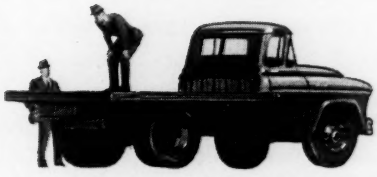
A smoother, load-steady ride
New suspensions front and rear provide a smoother, more stable ride for the driver and load alike.

New standard width frames
All models now have new more durable ladder-type frames of standard width, with full-length parallel side members.

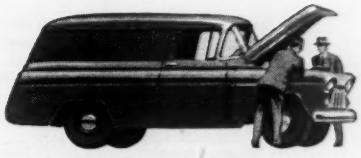
It's better business to buy Chevrolet trucks!

Task-Force TRUCKS

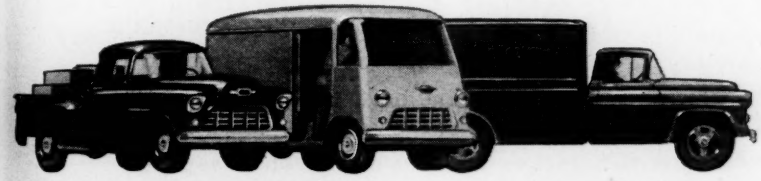
New styling in trucks
It's Work-Styling—an exclusive development in truck design with two distinctively different styling treatments.



New 18,000 lbs. G.V.W. capacity
New Chevrolet Task-Force trucks are designed and built to handle loads of all sizes. There's one for *your* work!

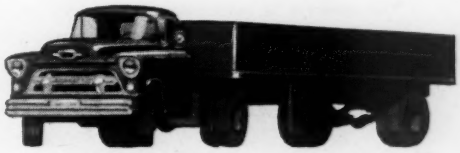


Six new "high-voltage" engines
All six new engines feature a new 12-volt electrical system for faster, surer starts and increased generator capacity.



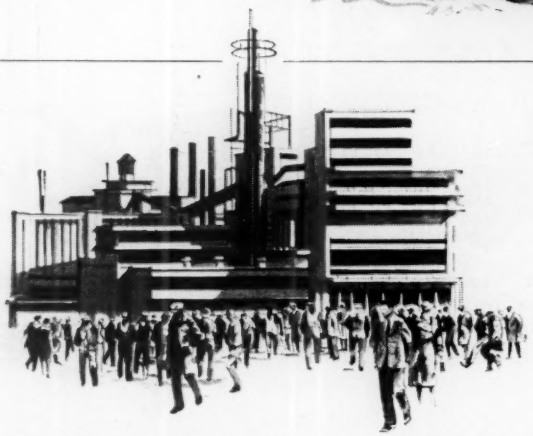
New Overdrive or Hydra-Matic
Your choice of Synchro-Mesh or, as extra-cost options, new Overdrive (½-ton models) or Hydra-Matic (½-, ¾- and 1-ton).

New Power Brakes, Tubeless Tires
Power Brakes are standard equipment on all 2-ton models, optional on others. Tubeless tires on all ½-ton models.



New handling ease with Power Steering—Now Chevrolet Power Steering, ready to make driving safer and easier, is available on all models at extra cost.

Did you know that America's first brewery was built on Manhattan Island in 1612?



The beverage of moderation has always been recognized as an important morale factor. For instance, during World War II, The War Labor Board ruled that an interruption in the production of beer "threatened substantial interference with the war effort."

Fourteen years before the celebrated purchase of Manhattan by the Dutch from the Indians, two settlers built a log-house brewery on the Island's southern tip.

Later on, the Dutch West India Company which governed the island built a more permanent brewery on what is still Stone Street. Clearly the Dutch Company recognized the importance of supplying its employees with the same mellow brew they had enjoyed in their homeland.

United States Brewers Foundation... Chartered 1862

One of America's Oldest Continuous Non-Profit Trade Associations
Representing over 86% of the Country's Malt-Beverage Production

FROM THE NATION'S CAPITAL

Tomorrow®

A LOOK AHEAD

Newsgram®

24th and N Streets, N.W.
Washington, D. C.

Here are predictions likely to become fact fairly soon:

Offshore islands, about which so much fuss is being made, will go to the Communists. Chiang Kai-shek, U.S. friend, will be bottled up on Formosa.

Indo-China, what's left of it, will go gradually to Communists, too.

War scares in Asia will fade. War scares in Europe already are pretty well evaporated. Communists, paid off with loot, will settle back for a while, digest what they've got, and wait for some new openings.

Decks will begin to be cleared for big 1956 political battles in U.S.

War talk will be de-emphasized. War-party label, which Democrats are seeking to pin on Republicans, will be shuffled off through peace talk.

Peace and peace talk will become the vogue.

Talks will be arranged with Communist leaders of Russia. Disarmament will be discussed in an academic fashion. Russia, in trouble, will be given a chance to weather her internal crisis. She even may be helped with trade.

Tax cuts will go along with peace moves in 1956.

Lowered taxes will help to assure continued prosperity.

Peace, prosperity and lower taxes will be stressed in '56.

Republicans will use those issues. Democrats may be hard put to find opposing issues of equally broad appeal. A vote for change might not win.

The era probably will be one of pretty good feeling.

Eisenhower most probably will be persuaded to accept a draft. Nixon, in that case, again will be Eisenhower's running mate.

Stevenson still tops the list of prospective Democratic candidates.

Ike, if running, will be hard to beat amidst peace and prosperity. Adlai, sensing that, is showing less than normal enthusiasm for the job.

Prosperity ahead is going to break all records. Pay will keep on up. Jobs will be plentiful in all but isolated spots. Record income will mean record trade for storekeepers, merchants of most all kinds.

Profits will be excellent, higher even than now. Dividends will go up with profits. Higher dividends will influence markets for some stocks.

Farm prosperity, lagging, probably will not slip much more.

You get a detailed outlook report for business on page 19.

Congress will do nothing to upset the growing period of good times.

Highway development, in some form, will be approved on an expanding basis.

(over)

Written for the issue of April 29, 1955, Volume XXXVIII—No. 17
U. S. NEWS & WORLD REPORT (No part of this or any other page may be reproduced without written permission)

Superhighways--1.5 billion dollars' worth--are before Congress.

Stock markets will not be regulated more. Antitrust laws will not be made more stringent. Atomic development with private capital will be favored. Foreign aid will be kept up, with emphasis shifted to Asia.

Aid to school building, tangled in a segregation fight, is likely to fail. Health reinsurance appears to be blocked, too. Social Security will be left about as it is for at least one more year, maybe longer.

Hawaii and Alaska are unlikely to be accepted as States.

Natural-gas producers stand no more than a 50-50 chance of relief from Government regulation. Minimum wage might possibly be raised to 90 cents. Other labor laws stand no real chance of being changed.

Draft for youths will go on, with draft term still two years. Plan for compulsory drill under a compulsory plan of military Reserves probably will be defeated again. Incentives for Reserve training may be offered instead.

Young men will continue to face the biggest uncertainties. Youths, for an indefinite period, will need to adjust to the probability of at least two years of military service at some time in their career.

College graduates, going into service, again will face delay in getting a start. Graduates of 1955, where not drafted, will enjoy best prospects ever for getting good jobs. Pay is higher than a year ago. Starting pay for liberal-arts graduates often is $300 to $350 a month. Engineers command from $375 to $400 and on up. Demand for scientists is high.

In Britain, a victory for Conservatives on May 26 is indicated.

Conservatives, holding a majority of 18 now, may raise that to 100. Socialists, outside looking in, are having trouble finding a big issue.

Opinion polls give the Conservatives a big edge. Odds are offered in some cases as high as 3 to 1 that Anthony Eden will win.

Peace, prosperity and lower taxes are the Conservative offers to voters.

Communist Russia, with depression at home and throughout her ramshackle empire, is angling to pick up a few crumbs here and there from non-Communist countries. The Russian colonies, milked dry, are harder up, more restive than their Russian masters. Slavery on an unprecedented scale, utilizing political prisoners to get cheap labor, is proving no more effective than other forms of slave labor. The entire Communist world is turning out to be a slum area in the midst of great prosperity through the non-Communist world.

Communism will find future gains less easy than past gains.

Communist play for leadership among colored races flopped at Bandung. Communists, expecting applause, came in for severe kicks instead.

India's Nehru, playing up to the Communists, is to be deflated somewhat as a result. Nehru's man, Krishna Menon, slithering around the world to line up nations against U.S., is to be pushed more out into the open.

It is still true that Communists will try to cash in on threats, on warnings of war, if they're denied what they want. U.S., getting set to let the Communists take over some more people and land, will be acting to avoid trouble, to buy off trouble-threateners in the hope that they will be good.

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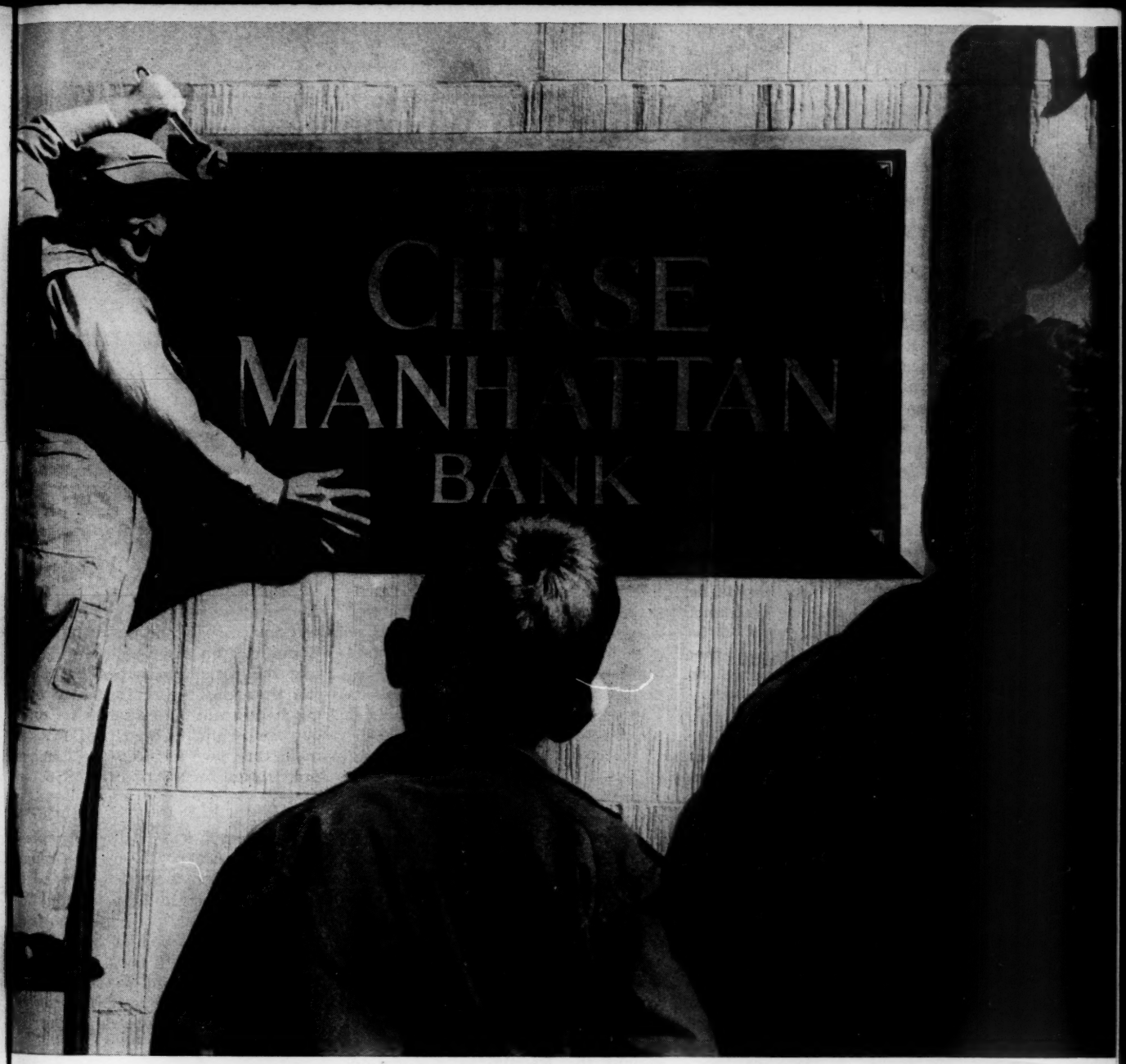

A sign of greater usefulness

Now the Chase National Bank and the Bank of the Manhattan Company are one bank. Here is what it means.

We like our spanking new sign. We hope everybody will. But it tells only a small part of our story. It spells out for you the plain fact that two great banks have joined together. We'd like to tell you more.

First of all, the Chase Manhattan sign is a new symbol of usefulness. Belonging, as it does now, to 95 banking offices in Greater New York and 17 overseas branches, it means better service for our customers and friends.

And back of the Chase Manhattan sign are its most important assets—13,000 experienced people, all working together to make their bank more useful.

That's it. That's the story behind the new Chase Manhattan sign—*usefulness*, and *people* working together to better serve business, industry, and all America.

THE
CHASE
MANHATTAN
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(MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION)

Washington Whispers®

[Items appearing on this page are reported in Washington and other news centers]

Wheat: $1 a Bushel? . . . Pressure on Chiang to Quit Offshore Islands . . . Harriman Willing to Take On Ike

President Eisenhower used his latest golfing vacation at Augusta, Ga., to weigh the arguments and to make up his mind on U. S. military policy as it affects the offshore island groups of Quemoy and Matsu, over which war scares are being hatched.

★ ★ ★

Chiang Kai-shek, Generalissimo of Chinese Nationalist forces on Formosa, is coming under new pressure to pull back from the last islands he holds close to the Chinese mainland. Rumor has it that the retreat will be sugar-coated with a promise that U. S. marines will be stationed on Formosa itself.

★ ★ ★

Adm. Felix Stump, commander of American military forces in the Pacific, called to Georgia by President Eisenhower to discuss problems in the Formosa Strait, advised against making further concessions to the Chinese Communists. Admiral Stump was supported by all but one member of the U. S. Chiefs of Staff, but it did not convince Mr. Eisenhower.

★ ★ ★

Gen. Matthew Ridgway, Army Staff Chief, opposed a stand against the Communists along the China coast, as he had opposed a stand in Indo-China, on the ground that, if trouble occurred, the Army would be forced to supply troops. General Ridgway insists that the Army lacks manpower to make a stand in the Pacific.

★ ★ ★

Adm. Arthur Radford, Chairman of the U. S. Chiefs of Staff, and Walter Robertson, Assistant Secretary of State for Far Eastern affairs—both opposed to more retreats under Communist pressure—drew the assignment of putting pressure on anti-Communist Chiang Kai-shek to agree to more island withdrawals.

Highest officials expect that sometime in May, if not before, Communist China will release a few of the American servicemen it holds prisoner after extracting "confessions" from them that they were on espionage missions when captured.

★ ★ ★

Earl Warren, Chief Justice of U. S., in closing the door to a draft-Warren move in 1956, gave one more signal that there is going to be a draft-Eisenhower tide in the Republican Party which the President cannot resist, even if he should want to. Ike, more and more, is being regarded as the indispensable man of the Republican Party in spite of his efforts to make it appear otherwise.

★ ★ ★

Averell Harriman, New York Governor, was most noticeably being promoted among Democrats at their recent dinners as the man who would like to take on Eisenhower next year.

★ ★ ★

Friends of Harold Stassen, who now is in charge of disarmament plans for the White House, are letting it be known that Mr. Stassen is young and available if a draft-Eisenhower movement does fail. Mr. Stassen, who twice sought the Republican nomination, has not lost his interest in politics.

★ ★ ★

Adlai Stevenson, the 1952 Democratic Party nominee, is tending to play hard to get at this stage in the maneuverings related to the 1956 presidential nomination.

★ ★ ★

Ezra Taft Benson, Secretary of Agriculture, is being told that there is a strong chance that farmers will vote against marketing quotas for wheat when a referendum is held this summer. If marketing quotas are voted down, Government support prices will drop to 50 per cent of "parity," and wheat may go to $1 a bushel.

★ ★ ★

The White House already is beginning to look around for a stopgap plan for supporting wheat prices at or near present price levels in the event that farmers do vote against marketing quotas.

★ ★ ★

Clarence Cannon, Missouri Democrat and chairman of the powerful House Committee on Appropriations, is letting the Eisenhower spending plan run through his Committee without much resistance. Democrats, it turns out, are permitting the Republicans to make their own record on spending in preparation for elections in 1956.

★ ★ ★

Dr. William F. Russell, formerly president of Teachers College at Columbia University, is reported to be in line to head the new International Cooperation Administration which is to take charge of giving away money to other countries. Dr. Russell has been serving as deputy to Harold Stassen, who headed the Foreign Operations Administration, which is being allowed to die.

★ ★ ★

Alexander Wiley, the senior Republican Senator from Wisconsin, is at odds with both the State bar association and the Republican organization in selecting a federal judge for eastern Wisconsin.

★ ★ ★

Top Democrats in Congress doubt that the present "honeymoon" between Congress and the White House will continue much longer. They expect some bitter fights over legislation that may keep Congress in session through most of the summer.

Wausau Story

by **WALTER BELSON**

Assistant to the President, American Trucking Associations

Wausau's safety director Ralph Bettin (left) and Mr. Belson at a school crossing. As a special reward for safety performance, Officer Bettin takes 15 Wausau youngsters to the National Safety Patrol Assembly in Washington, D. C., each year.

What is there about Wausau, Wisconsin, that makes it the ideal home for one of the world's most important insurance companies?

Employers Mutuals invited a transportation executive to visit its home town and find out.

WAUSAU has kids like any other place. Wausau has its cars and trucks and people crossing streets and traffic problems just like any other active city.

And yet last year Wausau was voted the Safest City in America. Because of the work of our industry with safety, I was interested to know how Wausau accomplished its unusual record.

It starts with the Wausau kids. You see them at every school crossing, armed with their long safety flags and real authority. There's even a program for bicycle safety, and bike traffic laws with teeth. Violators attend safety lectures on Saturday morning. Sometimes bikes are impounded.

Every year the Junior Chamber of Commerce invites all Safety Patrol members to a picnic as a reward for their good work. The Parent-Teachers Association has similar parties.

To make sure that Wausau youngsters will learn to grow up on the right side of the road, Police Chief Everett Gleason has started such programs as a high-schooler's driving training course.

The Chief points out that it's not the police who made Wausau's safety record. It's the people of Wausau themselves. As he puts it, "Wausau *wants* to be safe—and it is!" That's a wonderful spirit. It's the spirit that helps explain why people in Wausau—and that includes Employers Mutuals—are good folks to know.

Employers Mutuals of Wausau are "good people to do business with."

As Mr. Belson points out—people *think safety* in Wausau. It's part of their way of living. It's also part of *our* way of doing business. Our specialty is **workmen's compensation,** and it's no coincidence that in writing this insurance we'd far rather *prevent an accident than pay for one.* We'd rather have you give a worker a pay check than a claim check.

For this purpose, Employers Mutuals has developed an accident prevention program which includes dozens of special safety services. By cutting accidents we are able to cut insurance costs for our policyholders. A Wausau man can show you how. It could well be worth your while to phone the nearest of our 89 offices. Or write directly to Wausau, Wisconsin. Employers Mutuals handles all lines of fire and casualty insurance.

Employers Mutuals *of* Wausau

PEOPLE ★ ★ ★

OF THE WEEK

› TROUBLE SHOOTERS in China policy flew off to Formosa—a trip announced only two hours before it began. **Adm. Arthur W. Radford** was all set for a trip to Europe for a North Atlantic Treaty Organization meeting; instead, he flew to Asia. Along with him went **Walter S. Robertson,** Assistant Secretary of State who is topmost U.S. official in dealing with problems of the Far East.

Hardly any diplomatic or military mission since the end of World War II has been so shrouded in secrecy. At the end of the long flight was a scheduled conference with Chiang Kai-shek, head of the Nationalist Chinese regime on Formosa, who is a friend of both U.S. representatives.

Admiral Radford, Chairman of the Joint Chiefs of Staff, has the reputation of advocating a tougher U.S. policy toward Communist China, is on record in favor of halting the Communists in their tracks to prevent further expansion. Yet, not long ago, he was the man who broke the news to the Nationalists that the Tachen islands, off the mainland coast, were to be given up.

Mr. Robertson, formerly a Richmond, Va., investment banker, began learning about Chinese Communism when he was a member of a mediation mission led by General of the Army George C. Marshall in 1946—a mission seeking to end the Communist-Nationalist civil war. He, too, opposes Communist expansion, but often must follow policy decided by others. For example, it was Mr. Robertson who persuaded Korean President Syngman Rhee to accept the Korean armistice.

—United Press

OFF TO FORMOSA: ADM. RADFORD AND MR. ROBERTSON
Their trip was shrouded in secrecy

› J. LAWTON COLLINS came flying back to Washington to promote a showdown over the worsening mess in Vietnam. General Collins, former U.S. Army Chief of Staff, now is special U.S. Ambassador to the Southeast Asian nation that is regarded as the keystone in "the arc of free Asia." If it goes, the diplomats reason, many other countries teeming with people and full of resources will tumble after.

Last November, General Collins went out there as an architect of reconstruction. For a while, things seemed on the upgrade. Now there's a three-way fight. Politico-religious sects with private armies are warring against the Government. France, erstwhile proprietor of this ex-colony, opposes Ngo Dinh Diem, the U.S.-backed Premier, and is reported giving undercover aid to his foes. General Collins was known in Washington as a man of patience and tact—but his patience now is getting frayed.

Does the U.S. urge Diem to go after his foes—back him with arms? Does the U.S. get down to brass tacks with France? Or does the U.S. pull out everything except aid for refugees? Ambassador Collins wants answers.

—Combine

ADMIRAL EARL MOUNTBATTEN
. . . heads the Queen's Navy

› ADM. EARL MOUNTBATTEN, who thinks sea power still has a useful place in the atomic age, is the new head of the British Navy. He is an intimate of the Royal Family, a distant cousin of Queen Elizabeth II and uncle of the Queen's Consort, the Duke of Edinburgh.

At 54, Mountbatten is First Sea Lord —equivalent to Chief of Naval Opera-

(Continued on page 16)

"I saw few die of hunger... of eating, a hundred thousand."

Benj. Franklin

POOR RICHARD'S ALMANACK—1736

Benjamin Franklin's observation that he saw more people die from eating than from starvation is certainly pertinent today. For, if you weigh more than you should, the chances are better than 9 out of 10 that your extra pounds have accumulated because of overeating.

When you store up weight, you are also likely to store up future troubles. These could include diabetes, gall bladder and kidney disorders, heart disease or high blood pressure . . . to mention a few.

In fact, studies show that the death rate from all causes is 22 percent higher for people who are from 5 to 14 percent overweight than for people of normal weight. Among people who are 25 percent overweight, mortality is about 75 percent higher.

If you are overweight, why delay the obvious advantages of reducing? Before you start to reduce, however, there are some pitfalls you will want to know about and avoid.

First are the drastic dietary fads which usually limit you to a few foods, and second is the indiscriminate use of so-called "reducing pills." Only when overweight is accompanied by a serious disease may quick reducing be desirable.

The safe and sane diet is the one that reduces you *slowly* . . . two to three pounds per week . . . and that *permanently* keeps you at your best weight. In fact, throughout adult life it is a good rule to keep your weight at slightly below the level that is normal for your age and body build, or bone structure.

It is always wise to let your doctor decide what you should weigh and, equally important, let him plan your reducing diet. He will see to it that your meals are properly balanced, especially in protein, vitamin and mineral content.

Do not expect too much too soon when you start dieting. It took a long time to acquire those surplus pounds . . . and it will take time to lose them. If you want to keep check on your progress, weigh yourself weekly, rather than day to day. If you stick to your diet, your weekly weighings will eventually show how much you are losing in weight.

Once your weight is down, try to avoid any return to your old ways of overeating . . . and gaining. For *permanent* weight control usually brings a rich reward—*better health and added years in which to enjoy it.*

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CONTINUED

tions in the U. S. It is a personal triumph for him, as his father, Prince Louis of Battenberg, was driven from the same job in World War I by protests over his German ancestry. The family later changed its name.

Between world wars, young Mountbatten gained a reputation as a Mayfair playboy and, as a wealthy kinsman of the Royal Family, came to know many of "the right people." In World War II, he was publicized as a hero of Mediterranean naval battles. When he later headed the Commandos, with triple rank of vice admiral, lieutenant general and air marshal, Winston Churchill labeled him "that handsome triphibian."

Not all Britons admire Mountbatten. Some recall that, as the last Viceroy of India, he separated India from the Empire a year ahead of schedule. And among Empire-loving aristocrats, that was an unforgivable deed.

› **SCOTT McLEOD** exposed to public view a little-known phase of his job—frustrating spies to protect the security of the United States. His national reputation hinges almost exclusively on his screening of employes for the Department of State, where he holds the job of Administrator of the Bureau of Security and Consular Affairs.

What is not generally known is his cloak-and-dagger job of safeguarding U. S. secrets in foreign countries. He told a little about it at a gathering of State legislators and newsmen at Des Moines, Ia.

Tiny microphones often are discovered in the residences of American officials who live abroad. Favorite hiding places are under squares of parquet flooring.

Communists have been found to have electronic gimmicks just as advanced as those in the U. S., including microphones that can pick up conversations from distances of several hundred feet.

Used carbon paper and stenographic notes have to be burned under security guard to keep spies from finding clues to U. S. plans. And at least one ambassador had to learn to close the blind behind his desk—it was exposed to camera spies with telephoto lenses

› **MATYAS RAKOSI,** an old-line intriguer with years of experience in the conspiratorial Communist International, is back on top again as Hungary's Communist boss. From his whip-cracking position as First Secretary of the party in Hungary, Rákosi deposed Imre Nagy and installed a new front man, Andras Hegedüs, as Premier.

Rákosi, once Premier himself, was downgraded in July, 1953. He clambered back to his ringmaster's role with the rise to power in Russia of Nikita S. Khrushchev. The bull-necked Hungarian is tough, has survived adversity before. He spent 15 years in prison for his part in the "Red Terror" Government of Bela Kun after World War I. Released in 1940, he passed the World War II years in Moscow, gained Stalin's confidence. Returning to Budapest with the Red Army, Rákosi engineered Hungary's entrapment as a satellite, boasted that "everything was put over before the United States could rub its eyes."

Back in power after 18 months of biding his time, Rákosi is directing a policy shift to emphasize arms at the expense of the consumer. And, with Hegedüs out front, he has a ready-made scapegoat for failure or for any shift in the Kremlin line.

› **CARL McCARDLE,** who bears the imposing title of Assistant Secretary of State for Public Affairs, turns out to be the man who "leaked" the Yalta papers. The "leak"—as described to probing Senators by Secretary of State John Foster Dulles—went on record as one of the strange affairs that sometimes seem commonplace in Washington.

Mr. Dulles had informed Sir Anthony Eden, then British Foreign Secretary, that he planned to send the papers to committees of Congress, but was withholding them from the public pending British agreement to publication. Mr. McCardle gave the papers exclusively to the *New York Times* the night before British consent arrived.

Describing this to the Senate, Mr. Dulles said that giving the papers to the *Times* was within Mr. McCardle's jurisdiction and "involved an exercise by Mr. McCardle of a discretion that was his."

Until two years ago, Mr. McCardle was a newspaperman himself. He wrote about diplomacy and politics, covered some of the wartime meetings of President Roosevelt and Winston Churchill. He formerly headed the Washington Bureau of the Philadelphia *Bulletin.*

MEN WHO TROUNCED CHINA'S CHOU

› **VOICES OF FREEDOM** beat Communist propagandists to the punch at the big Asian-African conference in Bandung, Indonesia.

Adam Clayton Powell, Negro Democratic member of Congress from New York City, flew in as unofficial U. S. observer, struck hard with a press-conference assertion that "racism in the United States is on the way out." That riddled a favorite Communist propaganda theme.

Mohammed Fadhil Jamali—an Iraqi leader who once studied at the University of Chicago—told delegates that "Communism is a new form of colonialism more dangerous to us than the old colonialism." Most delegates cheered.

Carlos P. Romulo, of the Philippines, who finished his education at Columbia University in New York, took another tack: ". . . I think we ought to say plainly to each other when we think a puppet is a puppet."

POWELL

ROMULO

ALI

JAMALI

Mohammed Ali, Premier of Pakistan and former Ambassador to Washington, opened a way for attack, outmaneuvered Indian Prime Minister Jawaharlal Nehru, who tried to prevent open speeches.

After Communist Chinese Premier Chou En-lai retreated with a call for "peaceful coexistence," another delegate salted Chou's wounds. Sir John Kotelawala, Prime Minister of Ceylon, prodded Chou to come out for freeing states already captives of Communism.

Chou lost a propaganda battle.

(For an interview with Representative Powell, see page 42.)

We believe this can save an automotive manufacturer more than a million dollars a year

OUT of our service to the aeronautics industry we have uncovered secrets and developed processes for the successful fabrication of structural plastic moldings as large as a motorcar.

We know this experience of Goodyear Aircraft Corporation can deliver equally spectacular results and tremendous savings to manufacturers in the automotive industry and other fields.

For in order to meet the exacting aircraft requirements of strength, size and weight, we had to pioneer a whole new approach to plastics molding.

WE HAD TO THINK BIG

THE usual small-part substitution of plastic for metal was not our goal, nor does it take maximum advantage of our facilities and experience today.

Twenty-foot contoured moldings of reinforced plastics, produced by us, are serving today as actual exterior *structural* sections on some of the largest and fastest jet aircraft in existence.

Our presses are geared to turn out "one-shot" moldings of our complete boat hulls in a matter of minutes—one-piece hulls that are amazingly lightweight, extremely durable and completely weatherproof.

We are interested in doing business with the design engineer or manufacturer who sees the wisdom of applying the moneysaving advantages of our success in large reinforced plastic moldings to the betterment of his product.

DO THESE ADVANTAGES INTEREST YOU?

WE want you to capitalize on the benefits of unifying your designs and eliminating parts, especially where there are difficult contoured shapes involved, such as in an automobile body.

We want to rid you of your costly progressive dies and tooling – savings made possible through a single, integrated plastics molding of complete units.

We want to eliminate your assembly tools and jigs, reduce your coordination problems.

We want to slice your production costs. By drastically reducing the number of parts, you gain tremendous savings in assembly time.

We want to give you the greater flexibility of styling and design, the variety of brilliant color, the surety of the stamina that goes with this Goodyear advancement.

All this we know we can do.

AS BIG AS THE CHALLENGE

AT Goodyear Aircraft we have made quite an investment on this experience.

Our battery of presses can handle integrated moldings 17-feet long, in quantity.

We have unparalleled design experience in large moldings, and skills which have spelled success under the most exacting specifications.

We know that our sound design for reinforced plastics will follow the same principles—deliver the rewarding results—for the low-cost commercial job, as they have for the aeronautical product.

* * * *

THESE are the arguments we present—the skills, facilities and successes we have to back them up.

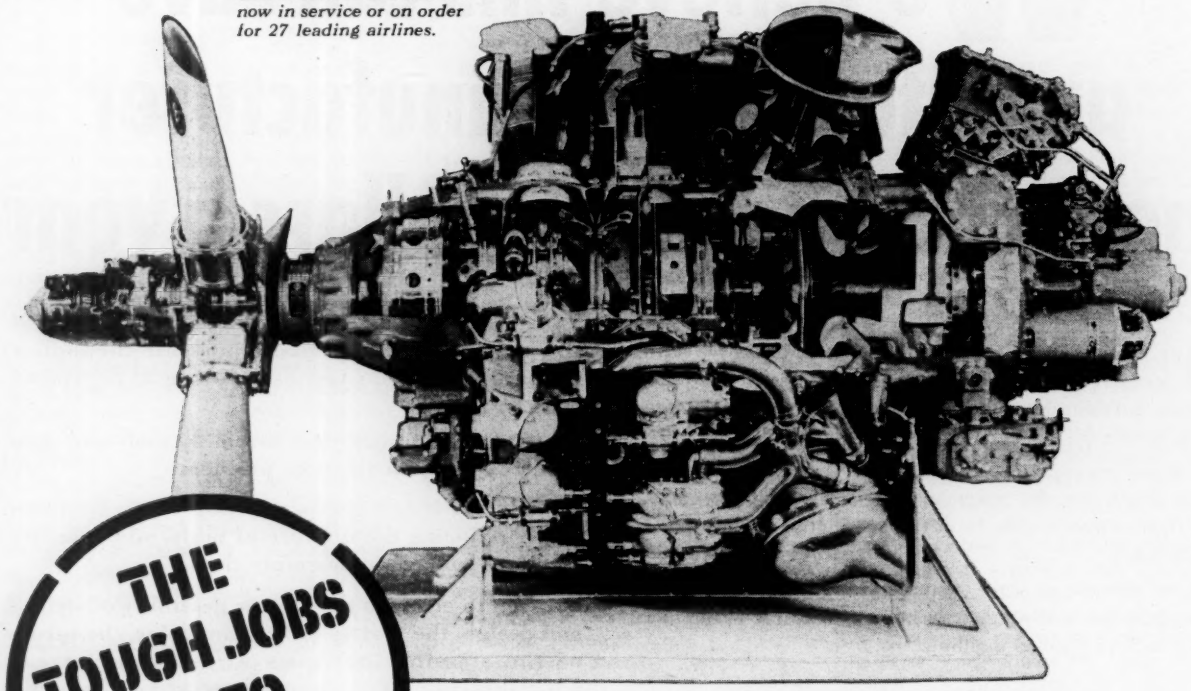
If this concept appeals to you, if it makes sense for your product – the large plastics facilities and experience of Goodyear Aircraft are at your service. For further information we invite you to write: Reinforced Plastics, Goodyear Aircraft Corporation, Akron 15, Ohio.

GOODYEAR AIRCRAFT

Plants in Akron, Ohio, and Litchfield Park, Arizona

New Materials and Methods for Industry—the result of aircraft pioneering

Cutaway view of the Curtiss-Wright Turbo Compound, an 18-cylinder reciprocating engine of 3250 h.p. for commercial use, to 3700 h.p. for military aircraft. Turbo Compounds power the Super Constellations and DC-7's now in service or on order for 27 leading airlines.



THE TOUGH JOBS GO TO TEXACO

CURTISS-WRIGHT CORP.,

Wood-Ridge, New Jersey, uses Texaco Aircraft Engine Oil for testing and running-in its famous engines – including the new Turbo Compounds. There's a good reason why: throughout the years, this fine oil has proved itself to be an outstanding performer under all conditions. In fact, *for over 20 years, more scheduled revenue airline miles in the U.S. have been flown with Texaco Aircraft Engine Oil than with any other brand.*

★ ★ ★ ★ ★ ★ ★

CURTISS-WRIGHT is just one of the many well-known organizations which have achieved top results with Texaco. There are three good reasons for this wide acceptance: *field-proven* Texaco Lubricants, developed with the aid of the finest research facilities available . . . *field-experienced* Texaco Lubrication Engineers to advise on their use . . . and *fast, efficient service* from over 2,000 Texaco Distributing Plants in all 48 States. This combination can help bring production *up* . . . and costs *down* . . . in every major field of industry and transportation.

One agreement of sale supplies all your plants wherever located. For details, call the Texaco Distributing Plant nearest you, or write the Texas Company, 135 East 42nd Street, New York 17, N. Y.

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INDUSTRIAL LUBRICANTS

TEXACO REG. T.M.

VOLUME XXXVIII—No. 17 U.S. News & World Report WASHINGTON, D. C.

LATEST FORECAST FOR BUSINESS IN '56

Best Times in History—Then a Test

For the year ahead, prospect now is this—Prosperity will go on rising to new highs. Incomes will soar, jobs will be plentiful. Production is to go on up, bringing record output of new homes, new cars, new equipment.

Profits will increase, raising dividends. Trend, in fact, will be continued rise all over the country, in every field but farming. Only war or catastrophe can halt the upswing before mid-1956. Danger then: overconfidence.

Business is going to be better than ever before, during the year that lies ahead. Right now, in many lines, business activity is breaking records. It is going to grow still better before this year is out and will boom through at least the first half of 1956.

People are going to have billions more in income than at any time previously. There will be plenty of jobs. Spending will set records that will be many billions higher than for any period in the past. Americans will get a record number of new cars, more new houses than ever, all kinds of gadgets in record or near-record volume. They will do more traveling, enjoy longer vacations, live better than at any time in history.

Profits are going to be close to an all-time high. This means that dividends to shareholders will soar, too. Record incomes for people and for industry mean well-filled coffers for the Government.

A "new era" ahead? The chances are that a year from now you will be hearing about a "new era"—an era in which trouble is banished and the only direction is up. That will be a time to become cautious and to look at least for some mild trouble. Trouble, if and when it does develop after mid-1956, may be related to the elections that year.

Businessmen are likely to be more apprehensive in 1956 than in any recent year. The reason is that leaders of the Democratic Party have said that, if elected, they will favor policies of taxation and regulation that businessmen usually regard as punitive and harmful to a system of private enterprise. Any development which might frighten businessmen or investors can be upsetting.

—Baldy in The Atlanta Constitution

"LOOKING TO THE FUTURE"
It's clear until mid-1956

The prosperity today rests upon an expanding system of private enterprise. The role of Government in this prosperity is shrinking, not expanding. It will shrink more as the months go by.

What is to happen to business itself, in broad outline, is given in the charts on pages 20, 21 and 22. The look ahead, measuring the expected rise in activity, is by the Economic Unit of *U. S. News & World Report*. It represents a conservative appraisal of the forces of expansion now at work. In the charts you can get figures showing where the country probably is headed.

Plenty of confidence. Back of the prosperity that is setting records today and promises new records for the future is a rapidly expanding population, a large supply of money at fairly low rates of interest and a strong element of confidence among businessmen, who are investing heavily in expansion. These factors have brought about a rise in the business cycle that got under way in the last quarter of 1954.

A major upward turn in the business cycle normally runs for a minimum of 18 to 24 months before reverses appear. Barring war, or some severe jolt to confidence that now seems only a remote possibility, the earliest to expect an

Total Spending in U. S.— New Record Coming

(gross national product, annual rates)

	Year Ago	NOW	Year from Now
Spending by people	$231.8 billion	$243.1 billion	$251 billion
Spending by business	$ 44.0 billion	$ 54.9 billion	$ 59 billion
Spending by governments	$ 80.1 billion	$ 76.1 billion	$ 77 billion
Total	$355.9 billion	$374.1 billion	$387 billion

Source: Commerce Department and estimates by USN&WR Economic Unit

upset in the present rising cycle would be mid-1956. Trouble develops when confidence, fed by prosperity, turns into overconfidence that shows up in some form of speculation.

By mid-1956 it is probable that there will be a test of the boom in residential construction, now based upon very easy mortgage terms. Many people by that time also may have borrowed as much or more than their incomes can bear to get the cars, appliances and gadgets that they want.

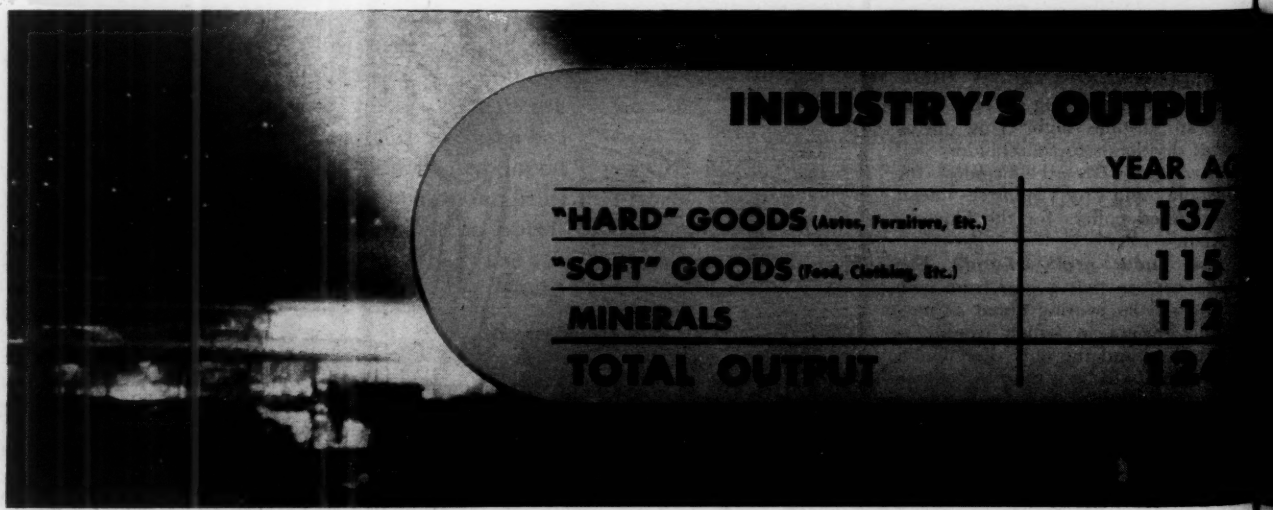
It is very probable, too, that the Government, concerned over the expansion of cheap credit, may have acted to make money a little less abundant and a little less cheap. Election worries, at about the same time, may begin to gnaw somewhat at the widespread feeling of confidence. Slower activity then would follow.

There are counterstrokes, however, that the Administration will be likely to use at the first signs of real trouble. It is known that White House advisers feel sure they can keep any setback that may develop in 1956 from becoming a major recession.

Antirecession tools. Tax cuts already are being planned for next year to release more income for spending. A huge highway-building program is in the works and will be shaped to start before the summer of 1956. There is growing pressure for a larger school-building program and for slum-clearance programs for major cities. If controls over money are tightened, they will be loosened quickly should use of credit show any sign of a sharp decline.

The great uncertainty of 1956, however, is to be politics—and that explains why it is hazardous to look much beyond the middle of that year in making a forecast.

But, for the 15 months just ahead, the outlook is becoming quite clear.



Source: Federal Reserve Board and estimates by USN&WR Economic Unit

People's Incomes: Still Climbing
(annual rates)

	Year Ago	NOW	Year from Now
From wages & salaries	$190.1 billion	$196.3 billion	$206.0 billion
From investments	$ 34.8 billion	$ 36.1 billion	$ 37.0 billion
From farming	$ 12.2 billion	$ 12.0 billion	$ 11.5 billion
From business	$ 26.0 billion	$ 26.5 billion	$ 27.0 billion
From pensions & other sources	$ 22.1 billion	$ 23.4 billion	$ 23.5 billion
Total	$285.2 billion	$294.3 billion	$305.0 billion

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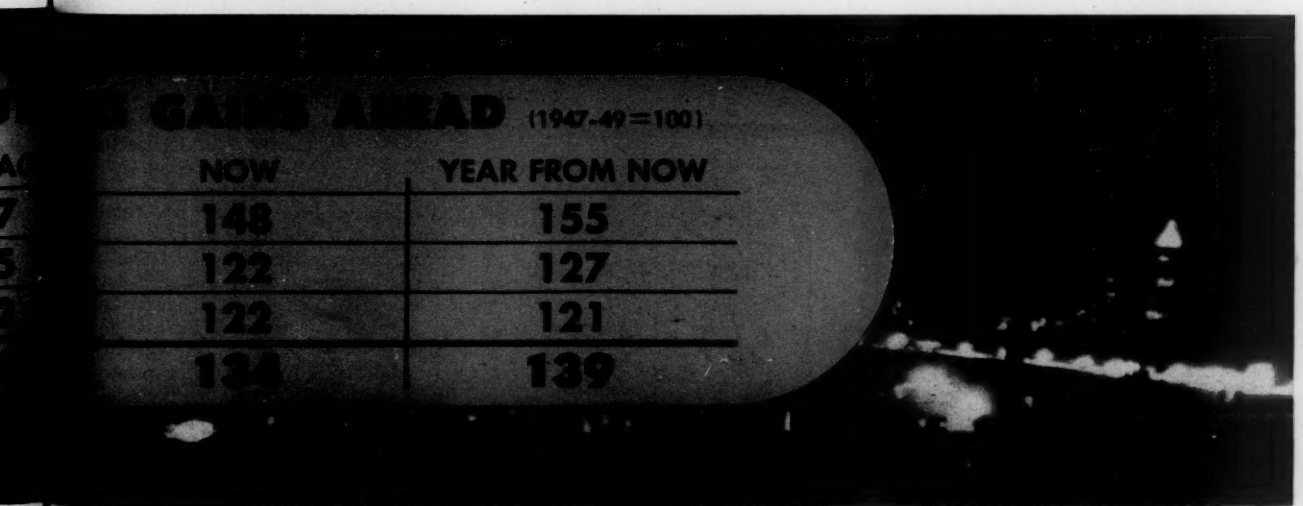
All across the country, and in almost all fields except farming, the trends are up. That is true in production of goods, in payments of wages, in building activity, in trade. The official figures are impressive and are to become more impressive.

Business activity already has gained back all the ground lost in the 1954 recession and is at a new high level. The chart on page 20 gives a dollar measurement of the total output of goods and services. Total spending—what the economists call gross national product—has advanced from 355.9 billion dollars a year for the first half of 1954 to a record rate of 374.1 billion now. A year from now the rate is expected to hit 387 billion.

Drop in federal spending. A notable fact about the present upsurge in business is that private demand is responsible for almost all of the recovery. The boom now generating comes from increased spending by individuals and by business firms. Spending by the Federal Government is lower now than a year ago, and it is not expected to rise much during the months just ahead. That is in sharp contrast to the 1953 boom, when most of the increase in output and spending resulted from higher outlays by the Government.

In the next 15 months private demand will continue to grow. Business investment is expected to add about 4 billion dollars to the present rate of spending. Most of this rise will be due to purchases for inventories. Factories and stores last year let their stocks dwindle, as sales failed to come up to expectations. Now, with sales rising, many businessmen find themselves short of materials. So they are beginning to replenish their stocks.

In other fields of investment, demand is likely to hold level. Home construction is expected to fall below the present record rate, but other types of private



GAINS AHEAD (1947-49=100)

NOW	YEAR FROM NOW
148	155
122	127
122	121
134	139

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Source: Commerce Department and estimates by USN&WR Economic Unit

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building—stores, office buildings, some industrial plants—are going to rise. A rise also is to be expected in the purchase of tools, machines and various other types of equipment.

The most vigorous push toward high volume is to come from people. Individuals, as the chart on page 21 shows, are going to get a lot more income than they are getting now—about 10 billion dollars a year more—and they are going to spend a lot more. Surveys for the Government show that people feel confident about the future, expect to earn a bit more in the year ahead and are planning to make more purchases.

New spending record. Signs are that a year from now people will be spending at a clip of 251 billion dollars a year—a rate never approached before. It's doubtful that individuals will add to the present demand for automobiles—they probably will be spending a little less for cars—but spending for furniture, refrigerators, television sets, air conditioners and household gadgets is almost sure to increase.

The growing population assures larger outlays for food, clothing, shoes and all the other items that go into day-to-day living. Population gained 2.8 million in 1954 and will add another 2.7 million by mid-1956. Prospects are virtually certain that, in the months ahead, retail stores will ring up the largest dollar volume of sales in history.

These trends in spending are to show up in production. American industry now is producing goods at close to the record rate reached at the top of the 1953 boom. A year from now, that old record will be topped, and gains will be registered in nearly all lines of activity.

With all these gains in prospect, prices are expected to continue to be rather stable. The housewife is not expected to be paying any more for the goods she buys than she is paying now. Food bills may be a trifle lower. The average American family, in brief, is to be considerably better off, with incomes up and prices no higher.

More breadwinners. Employment in the first half of next year is expected to average close to 62.3 million—a gain of 600,000 over the present number. The advances in business activity, however, are not expected to be large enough to bring about full employment. The number of unemployed a year hence may be a trifle above the present figure, chiefly because of the expected increase in the number of job seekers.

Still, the recovery that began late last year has gone far enough now to assure rising activity into the summer of 1956. Then will come a testing period to determine whether the boom has overreached itself.

50 ATOM BLASTS: WHAT THEY HAVE PROVED

Atomic tests in Nevada this year, now ending, show U. S. with a wide variety of brand-new weapons. These include—

• An antiaircraft weapon to knock down fleets of bombers.

• A one-man sabotage weapon that can wreck a city.

• Battlefield weapons of many sizes, for specialized jobs.

In this article, you get a close look at what tests disclose.

A series of 12 blasts, each serving a different purpose, has occurred in the 1955 series of A-bomb tests. That brings to nearly 50 the number of postwar tests of A-weapons and H-weapons.

Facts that you can be sure of, on the basis of experimental blasts, are these:

The stockpile of atomic and hydrogen weapons in the U. S. arsenal is very large. It has been possible to shoot off nearly half a hundred just for test purposes. The figure of 10,000 is being used to indicate A-bomb numbers.

Variety of the new weapons is wide. Each of the 12 missiles shot off in 1955 was different. There are big bombs, little bombs, suitcase-type bombs, antiaircraft bombs, specialized bombs for a wide variety of uses.

Knowledge of atomic and hydrogen weapons now is extensive, both in terms of their production and their use. Atomic weapons today are standard for combat use by all of the U. S. armed services.

At the same time that these facts are being established, something additional seems to be made clear. This additional point is that the Russians, in the new-weapons race, are far behind and are more probably losing ground than gaining.

It was back in 1954 when a record was made of the latest Russian test. Altogether, the Soviets appear to have shot off fewer than 10 bombs, all apparently of two standard types.

The 12 test blasts by the U. S. this year have been conducted at proving grounds in Nevada, and all have been varieties of A-bombs, not of H-bombs. The H-bomb tests, when held, are confined to vast reaches of the Central Pacific.

Pictures that accompany this report give you some idea of the scope of tests just completed.

Test No. 1, conducted on Feb. 18, 1955, involved a new tactical-type bomb dropped from a big B-36 bomber flying at extra-high altitude.

Test No. 2, held February 22, exploded a "whispering" device that produced a light so bright it was seen 400 miles away but surprisingly little noise. This weapon was set off atop a 300-foot tower and had a force estimated at about equal to 15,000 to 20,000 tons of TNT.

Test No. 3, on March 1, also was of an atomic weapon exploded on a 300-foot tower, with a flash seen far away. The fireball, in this case, lasted about six seconds. The flash was seen as far away as Salt Lake City in one direction and Los Angeles in the other.

Test No. 4, held March 7, involved an extrapowerful blast, triggered atop a 500-foot tower at Yucca Flat. The brilliant flash was seen clearly in six States. This atomic weapon was estimated to be many times as powerful as earlier types in the 1955 series, able to level a fair-sized city.

Test No. 5, conducted March 12, was an experiment with the idea of shielding cities with a cloud of smoke, to provide some protection from the searing heat of a nuclear fireball. Clouds of oily, black smoke were sent up, then a small A-bomb was exploded from a 300-foot tower, above the smoke layer. Mice were used to determine results of the test, which was called "successful" by AEC scientists.

Test No. 6, on March 22, exploded a new-type battlefield atomic weapon. About 2,000 U. S. Marines crouched in trenches less than two miles from the detonation point. Participating in a 36-hour maneuver, they rushed in to "invade" the area hit by the bomb as soon as it was marked safe by radiation monitors.

Test No. 7, carried out on March 23, involved a "suitcase" bomb. This weapon, described as small enough for one man to carry in a big suitcase, is for use by atomic-age saboteurs. It was set off below the surface of the desert and blew up great quantities of radioactive dirt and debris, reportedly with the power of a volcano.

Test No. 8, the first of two held on March 29, was the most powerful of the 12 bursts. Set off atop a 500-foot tower, the bomb exploded with such force that it cracked a roof in Las Vegas, 75 miles away.

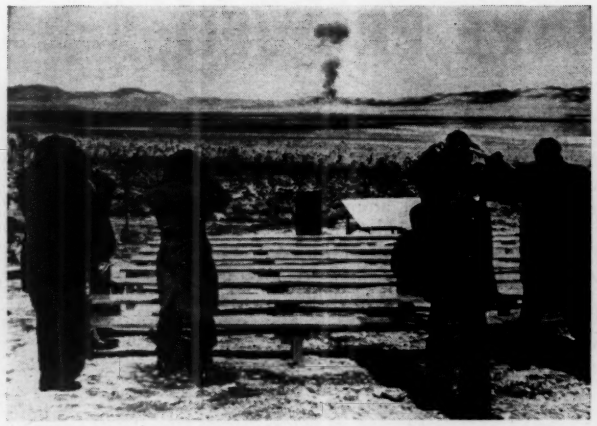
Test No. 9, conducted just five hours later, was of a new type of "baby" bomb, dropped from an intercontinental bomber flying at about 15,000 feet.

Test No. 10, on April 6, unveiled the world's first air-to-air atomic missile. Although classed as a "baby" atomic explosion, this burst sent a shock wave

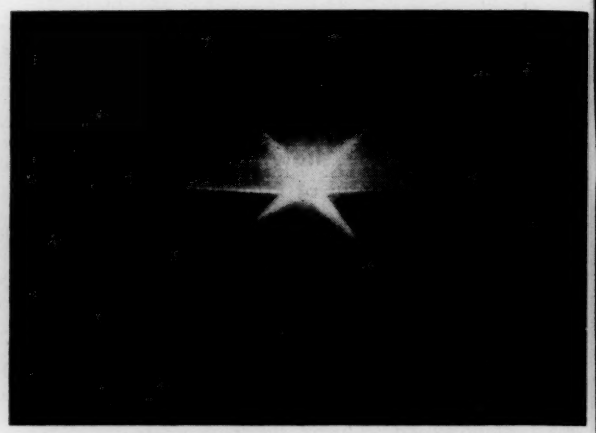
-Department of Defense

MANEUVERS—AND THE A-BOMB
Atomic weapons are "standard equipment"

The U. S. Samples Its A-Weapons . . .



NEW "BABY" BOMB, tested February 18, is only a fifth as powerful as the Hiroshima variety



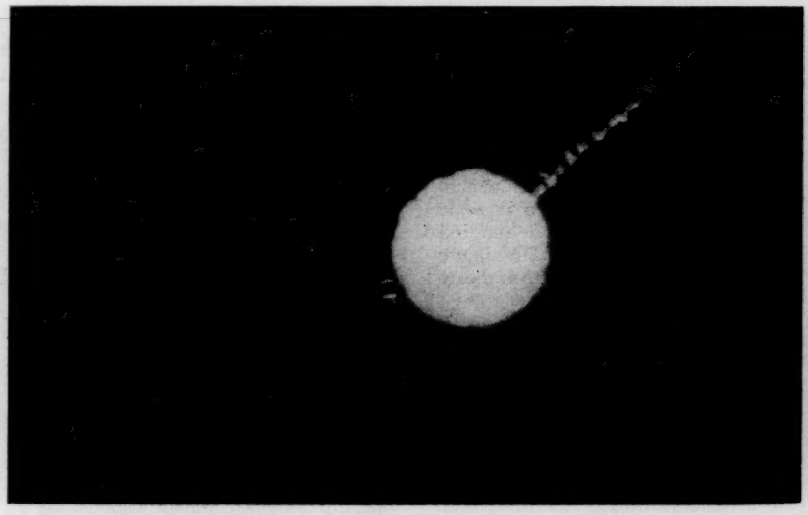
SPECIALIZED A-BOMB, set off March 1, was exploded atop a 300-foot tower, looked like this

across the desert that was felt 75 miles away. It was exploded 30,000 feet up in the air, simulating an attack on a whole fleet of enemy aircraft. The weapon is designed to be fired from a high-flying aircraft, then to travel a self-propelled course for intercepting and knocking down groups of attacking planes.

Test No. 11, held April 9, involved a small, specialized device, presumed to be an atomic "trigger" for setting off H-bombs. This explosion equaled only an estimated 3,000 tons of TNT, with the device detonated on top of a 300-foot tower.

Test No. 12, carried out April 15, was designed to find out what happens to U. S. military equipment when hit by a standard-sized atomic blast. A blast equal to about 25,000 tons of TNT was touched off atop a 400-foot tower, with more than a million dollars' worth of Army, Navy and Air Force equipment exposed at various distances away. Three drone aircraft were piloted by remote control through the atomic cloud, as well, and the damage to them was carefully measured.

A final test of the 1955 series then was scheduled for April 26 as an atomic maneuver for an armored task force and for testing civil-defense measures. An armored column 17 miles long, spearheaded by 55 Patton tanks, was to maneuver around and through the burst area, as a means of trying out new atomic tactics. A test town was constructed for the civil-defense test, to see how well city structures stand up against bigger atomic explosions and to test shelters, automobiles, new building materials.



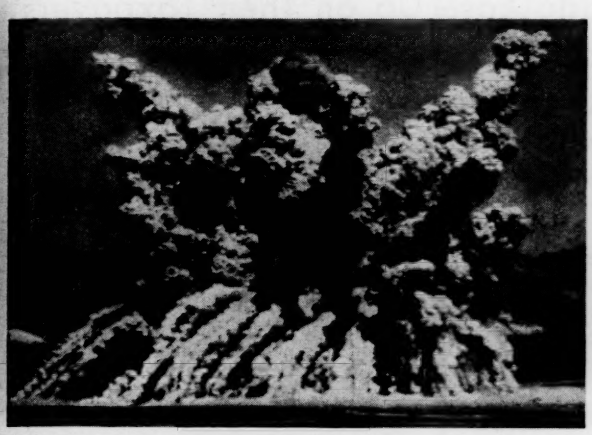
ANTIAIRCRAFT ATOM, tested April 6, was the world's first atomic missile designed to knock down fleets of attacking enemy planes

What was learned. As a result of this 1955 test series, a far wider application of the atom to U. S. defense problems is shown to be feasible than was even suspected a short time ago. Tests during this three-month period have demonstrated these things:

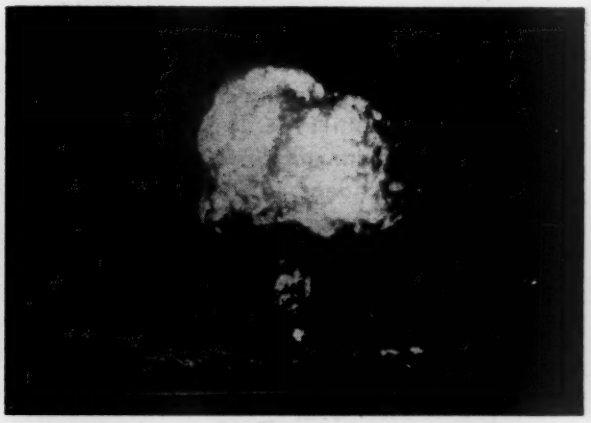
Biggest U. S. defense problem—how to knock down large numbers of fast, high-flying jet bombers in a hurry—finally has a theoretical solution in sight now. It is a powerful, self-propelled, atomic missile. Such an antiaircraft missile now has been tested, can be put into production by U. S.

Atomic sabotage is shown to be perfectly feasible, too. The danger of a saboteur bringing in a suitcase containing a small A-bomb no longer is remote, is demonstrated to be real and immediate. The advantage of training saboteurs to operate with suitcase-type atomic weapons behind the Iron Curtain, in time of war, becomes evident now.

. . . Six Different Shots in 1955 Tests



"SUITCASE" BOMB, exploded March 23, was small enough to be carried by one saboteur



"BIG SHOT," touched off March 29, was a new model, extrapowerful, did damage 75 miles away

–Atomic Energy Commission, United Press, Wide World

BATTLEFIELD BOMB, exploded April 15 from atop a 400-foot tower, tested more than a million dollars' worth of military equipment

Battlefield weapons of various sizes, available to fit a wide range of needs, also are tested, ready for production in new, specialized forms. Close-in tactics, for taking the best advantage of these new tactical weapons, are worked out and field-tested under fire.

New means of defending U. S. cities against at least some of the terrific heat of a nuclear fireball are tested, too. This could conceivably save countless American lives, if it cut back the danger of fire, a main hazard to U. S.-type cities in the event of atomic attack. How well a made-to-order smoke cloud works in this regard is to be made known to civil-defense officials shortly.

Individual defense measures also are tested as a result of this series of blasts. Actual experiments under fire indicate that a trench provides fairly good close-in protection, as does a basement shelter, a typical American office building, even an automobile. Other tests show what kind of clothing and equipment stand up best, where emphasis must be in providing protection against newer, more powerful bombs.

How U. S. military equipment stands up under battle conditions of the future is indicated at the same time. Piles of statistics, dealing with the effect of nearby atomic explosions on all types of American arms and service supplies, have been gathered during the tests of the past three months.

How about the Reds? Have the Russians been doing anything to keep up with this series of recent, rapid advances by U. S. in the military atomic race? The record of disclosed Soviet tests shows this:

Russia's first atomic test was announced six years ago, in September, 1949, by former President Truman. Moscow said nothing about it. Then a second explosion within Russia was reported by the U. S. in October, 1951. This one was confirmed a year later by the Kremlin.

Since then, four other Soviet atomic explosions have been positively identified by U. S. scientists. One, in 1953, was a hydrogen bomb.

Late last summer, the U. S. Atomic Energy Commission reported that the Russians had been conducting another brief series of nuclear explosions. It was hinted at the time that these devices were "triggers" for H-bombs.

Only in the U. S., however, have tests indicated the wide variety of new atomic weapons that the 1955 series of Nevada experiments now shows.

Top scientists tell what atom tests do to man. Page 96.

Others Cut Taxes—U.S. Next

How Britain and Canada Ease Up on Their Taxpayers

Britain and Canada, cutting taxes, are setting an example that U. S. will follow in 1956.

U. S. tax officials are studying the cuts, looking for ideas.

All British and Canadian taxpayers get some relief. Personal cuts go mainly to people with low incomes.

Corporations get relief too. Both countries already had lower taxes on profits than U. S.

LONDON

While American taxpayers wait, the taxpayers of Great Britain and Canada are getting tax cuts on 1955 income. These cuts are being made even though British and Canadian budgets—figured on an American basis—are out of balance.

The Conservative Government of Britain and the Liberal Government of Canada are agreed that the level of taxation, in peacetime, is more burdensome than it should be. In the case of Canada, too, lowered taxes are being used as a means of priming the business pump at a time when things are a bit slow.

Tax relief for British taxpayers, ahead of American taxpayers, is coming while American tax dollars still are being contributed to Britain.

There is this moral, however, that will be of particular interest to Americans: The Conservative Party of Britain, facing an election on May 26, is cutting taxes as a means of pleasing hard-pressed taxpayers who also are voters.

In 1956, the Republican Party in the United States, facing an election, will have the British example to follow when considering tax policy. This is one more indication that a tax cut is certain for U. S. in 1956.

The Big Tax Bite In Three Countries

(Percentage of national income taken by taxes, all levels of government)

	U. S.	Britain	Canada
1946	24.5%	41.0%	30.5%
1950	25.2%	37.3%	26.5%
1951	27.1%	36.6%	29.9%
1952	27.5%	35.0%	30.5%
1953	27.7%	33.1%	29.9%
1954	26.0%	32.5%	30.1%

Taxes and red ink. British and Canadian governments concluded that, under the circumstances, it was not necessary to delay tax cuts until there was a surplus in the budget to make up for the loss in revenue. The U. S. Government, clearly, is coming around to the same view.

Each of the three countries has its own way of looking at the budget, its own way of measuring the room for tax cuts.

In Britain, the so-called "ordinary" budget is cited as proof that the Government is in position to pass around some tax cuts. That budget, despite this tax relief, is expected to show a surplus of more than 400 million dollars in the year that began April 1. However, this does not tell the whole story. The "ordinary" budget reflects current operating expense of Government, but omits "capital" outlays—for housing and similar purposes, much of which is in the form of loans to be repaid to the Government in future years. With all spending lumped together, as is done in the U.S. budget, Britain faces a deficit of 1.2 billion dollars.

In Canada, the Government figures it this way: For eight consecutive years following World War II, the budget produced a surplus. Now, for a second straight year, a deficit is in prospect. This record—eight surplus years out of 10—is offered as proof that a tax cut is justified in this period when business needs a boost.

In U. S., officials are eying the "cash budget," as distinguished from the "bookkeeping budget," in finding room for tax cuts in 1956. The "cash budget" is the one that measures every cash dollar paid into and paid out of the Treasury. Because it reflects surplus receipts of Social Security and other trust funds, this budget is likely to run a surplus of about 2.2 billion dollars in the year to end June 30, 1956. That, it's figured, opens the way for tax cuts, even though the "bookkeeping budget" still will be in the red.

Cut whose taxes? The tax-cutting formulas adopted in Britain and Canada point up the No. 1 tax dispute in the United States: Where and how should taxes be reduced? Should all the relief go to individuals or should corporation taxes be cut, too? Should individual relief be concentrated among low-income people, or should the formula give a break also to those in higher brackets?

Britain's Conservative Government, in its formula, passes out some relief to all taxpayers—corporations as well as individuals.

On the individual side, the great bulk of the relief goes to those with low incomes. At the bottom of the income scale, 2.4 million people are dropped from the

BRITAIN AND CANADA HAVE BUDGET PROBLEMS, TOO

In United States, the budget is improving, but it is still out of balance. Budget outlook for the year to end June 30, 1956, by latest unofficial estimates, without any allowance for possible new tax cuts:

800 million dollars in the red.

In Canada, deficits have reappeared after eight consecutive years of budget surpluses. Official budget forecast, with allowances for new tax cuts, for the year to end March 31, 1956:

98 million dollars in the red.

In Britain, the "ordinary" budget is in the black. However, that budget omits "capital" expenditures, which are shown separately. Over-all budget outlook for the year ending March 31, 1956, with allowance for tax cuts:

1.2 billion dollars in the red.

rolls. This is one out of every seven British taxpayers.

That tax break for low-income people is accomplished mainly by increasing personal exemptions. Higher personal exemptions also are being promoted in U. S. by those who advocate concentrating relief in the low brackets.

British tax rates are cut moderately. The basic rate, applying to taxable income in excess of $1,400 a year, is shaved from 45 to 42.5 per cent. Below that level, lower rates apply, and these also are cut. Above $5,600 a year, British income is hit by steeply graduated surtaxes. These rates are not changed.

Single people in Britain, by and large, find little to cheer about in the new tax reductions. Major relief goes to family taxpayers with small incomes. You see this in the chart on this page.

In Canada, taxes are being trimmed by adjusting the rate schedule. Personal exemptions are not changed. New tax rates mean savings averaging about 10 per cent for individual taxpayers. Within that average, however, there are wide variations in relief. Taxpayers with lowest incomes get cuts of 13.3 per cent. Relief tapers off to less than 3 per cent at the highest income levels.

Canada's tax-cutting formula—a revision of the rate structure itself—appeals to the Eisenhower Administration more than does the British formula.

British taxes on individual incomes, as shown by the chart on this page, still are much higher than those in U. S. Figures given here reflect taxes imposed by national governments only. In addition, millions of Americans pay State or local income taxes. Then there are many other differences affecting the total tax burdens in U. S., Britain and Canada. For example, most people pay higher income taxes in U. S. than in Canada, but Canadian excises are higher.

Total taxes at all levels of government last year took 32.5 per cent of national income in Britain, 30.1 per cent in Canada, 26 per cent in U. S.

Taxing business profits. Corporations, as well as individuals, are getting tax cuts in both Britain and Canada. Even before these latest cuts, taxes on corporate profits were higher in U.S. than in either of the other two countries.

American corporations are taxed at 30 per cent on the first $25,000 of profits and 52 per cent on the remainder. This means an effective rate of just under 52 per cent on all of the larger American companies. On dividends paid to stockholders, personal taxes apply, with only a minor offset to allow for taxes already paid by the corporation.

Canadian corporations are taxed at 18 per cent on the first $20,000 of profit, and the new rate is 45 per cent on the remainder. Stockholders get a tax credit amounting to 20 per cent of dividends they receive.

British corporations are taxed according to how much of earnings they distribute to stockholders. If all profits are distributed, the new tax is to be 59.2 per cent. If none is distributed, the tax is to be 45 per cent.

But note this important point: The British stockholder, in figuring his tax on dividends, gets credit for a 42.5 per cent tax—the basic rate—which is considered to have been paid for him by the corporation. In other words, this 42.5 per cent is regarded as a withholding tax, and the stockholder is not required to pay it again. He is subject only to surtax—if his income is high enough to put him in a surtax bracket.

Latest tax changes in Britain and Canada will add to the pressure for a corporation tax cut in U. S. next year.

Tax ideas for U. S.? Other points about British and Canadian taxes are under study by U. S. planners.

Capital gains are not taxed in either Britain or Canada, as they are in the United States. Repeal or modification of the American tax on capital gains has been urged widely.

Britain offers investment allowances to businesses in addition to regular annual depreciation.

A credit for earned income, up to a maximum allowance of $1,260, is allowed for British workers.

In both Britain and Canada, grants are paid to families with children. This has the effect of reducing tax burdens.

Excises are higher in Britain and Canada than in U.S. There are proposals to broaden U. S. excises, easing the burden of income taxes.

Life insurance premiums, in part, are deductible in Britain.

There is much about the tax systems in Britain and Canada, including changes now being made, that interest American officials who shape tax policy. Much will be heard of those systems when tax-cutting time arrives in U. S.

How Taxes Compare—U.S., Britain, Canada

Net income*	U. S. Tax	British Tax		Canadian Tax	
		Old	*New*	*Old*	*New*
Single person					
$ 1,500	$ 180	$ 186	$ 182	$ 75	$ 65
2,000	280	332	327	150	130
3,000	488	682	657	320	280
5,000	944	1,382	1,318	700	620
10,000	2,436	4,160	3,975	1,960	1,780
15,000	4,448	7,525	7,215	3,760	3,480
20,000	6,942	11,310	10,875	5,960	5,580
50,000	26,388	38,060	36,875	21,814	20,834
100,000	66,698	85,560	83,125	53,714	51,734
Married couple, two dependents					
$ 1,500	—	$ 13	—	—	—
2,000	—	88	$ 56	—	—
3,000	$ 120	354	300	$ 105	$ 91
5,000	520	1,054	961	453	399
10,000	1,592	3,832	3,618	1,582	1,428
15,000	2,900	7,197	6,858	3,240	2,986
20,000	4,464	10,982	10,518	5,375	5,021
50,000	18,884	37,732	36,518	21,099	20,145
100,000	51,912	85,232	82,768	52,869	50,915

Note: Income taxes imposed by central governments only. In British taxes, maximum earned-income credit is assumed. In Canadian taxes, all income above $30,000 is assumed to be from investments, but no account is taken of dividends credit.

**Income after deductions, but before personal exemptions.*

(Advertisement)

Oil and Man's Quest for Freedom

By COURTNEY C. BROWN, Ph. D.
Dean, Graduate School of Business, Columbia University

Over the centuries man's efforts to live better and, at the same time, enjoy more leisure, have been part of his quest for freedom to develop culturally and politically. In earlier years the few in power usually secured this freedom and leisure by enslaving the many. As time has gone by, alternative means of supplying energy for man's work, more compatible with human freedom, have been developed.

Wind, animals, wood, water, coal, natural gas and petroleum have supplied the power to make our modern way of life possible. The petroleum industry is entitled to a proud place in this progression of sources of energy. In the last half century its contribution to energizing the world's work, and making it more mobile, has been spectacular.

America's oil industry, with its companies large and small, with its local, state, national and international operations, with its geologists, engineers, financiers and marketers, is a striking example of free men voluntarily contributing their talents and efforts to a socially useful purpose.

The ingenuity, courage and adaptability of the industry is made possible by its voluntary nature. Those who are in the industry are there because they like it. They like the opportunity to be right or wrong, to compete with their fellows, to try new ways of doing things. And, of course, they like the just rewards a man can earn in the oil business.

Out of the restless and insistent stirring that characterizes the petroleum industry has come more than crude oil and its products. Many advanced methods of business administration have had their experimental start and later development in the oil companies. The development of workable, competitive relationships among large and small companies within the industry has been a daily task. Questions of national interest on conservation of our natural resources have generally been answered successfully within the oil industry. In its operations abroad, lessons have been learned of commercial and industrial diplomacy to complement our nation's political diplomacy.

As a supplier of essential energy, the petroleum industry has proved itself in the past and present . . . and promises an expanding future. As an energizer of men's thoughts and a contributor to freedom, it will continue to play an increasingly important role.

This is one of a series of reports by outstanding Americans on the U.S. oil industry.
This page is presented for your information by
The American Petroleum Institute, 50 West 50th Street, New York 20, N. Y.

With Polio Licked—

COLD, FLU, MALARIA, T.B.: NEXT TARGETS FOR SCIENCE

Polio is the first virus disease of humans that has been brought to bay with a killed-virus vaccine. This fact promises to unlock the door to discoveries that will enable medical science to conquer other dread diseases.

Cure for the common cold may come sooner by virtue of knowledge developed in the intensive search for an effective polio vaccine.

Victory over even cancer and multiple sclerosis may have been brought closer.

With so many scientists and so much money devoted to prevention and cure of disease, big discoveries benefiting mankind are sure to come tumbling out of laboratories.

A vaccine for polio promises now to make it another of the diseases crossed off the list of those most dreaded by man.

Smallpox long ago was removed from this list by a vaccine. So was typhoid fever. Diphtheria no longer is the scourge that it once was for youths.

Yet, in the war of science against disease, there remain many illnesses to conquer—those caused by organisms that invade the body, as well as killers like cancer and heart disease.

Tuberculosis is far from beaten. Influenza and virus pneumonia remain potential dangers. There are other diseases that offer threats, but, over all, in the field of infectious ones, most of the killing types are under control.

In laboratories around the world, scientists continue to seek means of defeating those diseases that yet are unconquered, even ones not usually fatal. A progress report on this search shows many significant things, holds out hope that many more major and minor illnesses soon can be controlled.

Wrapped up in the recently announced results of the Salk vaccine against poliomyelitis is a dramatic, but widely overlooked, fact. This is the added evidence—tossed into a hot medical argument—that a vaccine made from dead viruses can protect as effectively as one made from live, "tamed" ones.

Smallpox and yellow fever are virus-caused diseases that vaccination has made rare in the U. S. But the vaccines that control them actually are living viruses. They lack the power to cause the disease in the individual to whom they are given, yet still are potent enough to prod his body into producing an immunity to the disease itself.

Vaccines made from killed germs have brought other dread diseases under control—typhoid fever and typhus, for example. But controlling a disease with a killed virus and a killed germ are far different problems medically.

Now the evidence is that polio has been licked. Thus it becomes the first virus disease of people to be brought to bay with a killed-virus vaccine. That opens up a host of possibilities in medical research.

Cancer. In chickens and mice, for example, some types of malignant tumors have been shown to be caused by a virus. If it ever can be proved that human cancer stems from some such particle or organism—so far, medical evidence to support this is sketchy—then the way may be opened to tackling the disease in the same way polio has been overcome.

—Ray Evans, Jr., in the Columbus, Ohio, Dispatch

"ANOTHER EVEREST"
. . . And more ahead

Multiple sclerosis. Research now shows that another mysterious crippler, multiple sclerosis, is possibly caused by a virus. It strikes young adults at the prime of life—one form of the disease killed baseball star Lou Gehrig. Some 250,000 persons in the U. S. are counted among its victims, and, each year, it is estimated, more people are crippled by it than are paralyzed by polio. If a virus that causes this disease can be isolated, there is reason to hope that the techniques which worked against polio can also be used against multiple sclerosis.

Viruses exist and multiply only within the cells of a "host." One key to development of the polio vaccine was the discovery of a way to make bits of animal tissue grow in test tubes and bottles as well as in the animal itself. Thus cells—and so the virus that lives in them—could be mass-produced. Kidneys from a single monkey in this way today provide enough virus to make 6,000 "shots" of polio vaccine.

Now the same mass-production method is being put to work to grow other kinds of virus. As a result, in laboratories all over the world, new discoveries are being made. Viruses are being isolated that, as yet, haven't been identified with any disease. Scientists call them "orphan" viruses. The job now is to see if they can be matched up with human ailments for which no cause so far is known. Out of this work undoubtedly will come new victories over mankind's ills.

The common cold. One pesky disease that may fall before this approach is the ordinary cold. Already scientists at the National Microbiological Institute of the

THREE HIGH POINTS IN MEDICAL HISTORY

18TH CENTURY: EDWARD JENNER'S SMALLPOX VACCINE

19TH CENTURY: LOUIS PASTEUR'S RABIES VACCINE

—Bettmann Archives, United Press

20TH CENTURY: JONAS SALK'S POLIO VACCINE

This time, a new weapon against virus diseases

U. S. Public Health Service have uncovered a number of viruses that cause cold-like runny noses and respiratory troubles in people. Against them, experimental vaccines have been developed. Those vaccines aren't perfect, but the scientists believe the groundwork is being laid for eventual control. And what is true for these viruses can also be true for other cold-causing viruses as yet undiscovered.

Influenza. Flu may never again be the deadly peril it was during the epidemic of World War I. Vaccines now are available that give a measure of protection, and last autumn the Department of Defense gave immunization shots against the disease to all servicemen everywhere. Flu did hit in a number of areas, but the outbreaks were usually local and comparatively mild.

The influenza virus, though, is tricky. Its different strains can change in character, and a vaccine that once was effective becomes useless. But, with the new, fast methods of growing virus and making vaccine brought to light by the polio victory—plus a world-wide influenza-reporting program among co-operating nations—the likelihood is that any newly changed flu strain will be discovered and nipped before it can cause widespread illness and death.

Virus pneumonia. Now that penicillin has brought under control the once-dread bacterial pneumonia, virus pneumonia is an increasing medical problem. Death rarely results, but the disease is difficult to diagnose and often keeps its victims in a weakened, run-down condition for months. Aureomycin and Chloromycetin help in treatment, but no drug yet can be counted on as a quick cure. Complicating the problem is the fact that researchers aren't really sure that a virus actually causes the disease, even though it bears that label in its name.

Tuberculosis. Despite recent spectacular advances, t.b. still isn't whipped. Its ranking among the leading causes of death in the U. S. has dropped, but it still rates among the 10 highest. And, worse, progress in preventing the disease—cutting down the number of cases as well as reducing the number of deaths—has been slow. In all, about 1.2 million Americans—8 out of every 1,000—have tuberculosis.

A vaccine to protect against tuberculosis now is available. Medical opinion is divided about how effective it is. In the U. S., it ordinarily is given only to persons who must live or work in close contact with tuberculosis patients. In other countries, its use is more widespread. Work toward perfecting a better vaccine, though, feverishly goes on.

New drugs—most recently isoniazid, streptomycin and PAS—are chopping

down the tuberculosis death rate and shortening the period of treatment. No drug yet, however, gives what doctors want—a rapid and complete cure. But, in the laboratories, dozens of promising new leads are painstakingly being followed.

Malaria. Only a handful of malaria cases show up in the U. S. in a year. But, world-wide, it ranks as man's No. 1 infectious enemy. Whole areas are blighted by presence of the disease-carrying mosquito, whole populations kept from self-support by malaria's enfeebling effects.

But new weapons are being forged. Insecticides to kill mosquitoes that have become resistant to DDT are coming into use. And three newly developed drugs are proving far more potent than man's onetime best remedy, quinine.

—USN&WR Photo

THE COMMON COLD
. . . may yield to the new method

One of these drugs, not long out of the laboratory and still experimental, suppresses malaria with a single dose a month—compared with daily or weekly doses of the best previously available. Another effectively routs the disease in its acute stage. But scientists, still not satisfied, are working on drugs that now promise to be even better.

Rheumatic fever. Evidence currently piled up shows that rheumatic fever's heart-damaging course almost always starts with a "strep throat" or similar infection. Thus, today, antibiotics and other drugs brought to bear when these infections are in their early stage help cut rheumatic fever's death toll to less than half what it was in 1940. But the cause of the disease remains unknown. Its prevention still is a challenge on which

(Continued on page 32)

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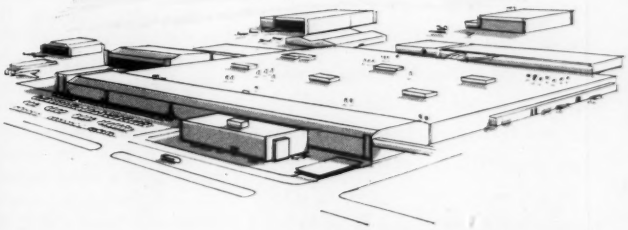

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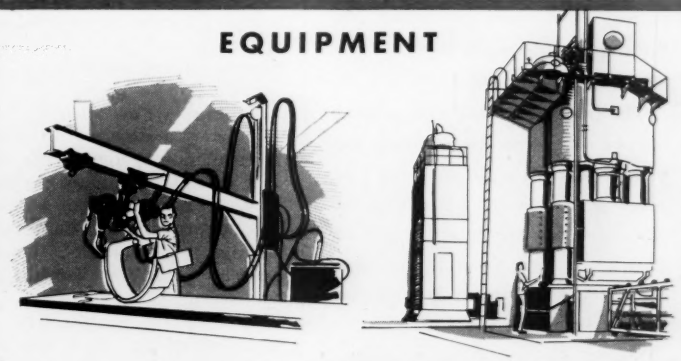

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Department SA-30

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[continued]

TARGETS: COLD, FLU, T.B.

important sums in research are being spent.

Scarlet fever. Another once-dreaded childhood disease which modern medicine has brought under control is scarlet fever. Treatment now prevents the severe complications that occurred frequently in the past. There still is no real preventive that is effective against the more than 40 strains of the disease-causing organism.

Chicken pox. Its cause unknown, chicken pox also lacks an effective vaccine. But a viral cause is suspected, and so a vaccine may one day be developed. Like the presently available vaccine for measles, though, one for chicken pox might not be used often. Ordinarily, neither disease is serious, and doctors generally lean toward letting children contract them to develop natural immunity.

Mumps. Few people realize that mumps is a disease for which medical science not long ago developed a vaccine. But in children mumps is usually mild, so the vaccine seldom is used for routine immunization. Complications of the disease among adults, though, can be serious. Here the vaccine has proved valuable.

Whooping cough. The death rate from whooping cough has been cut 95 per cent in recent decades. Children are immunized starting when they are only a few months old—with "shots" usually given in combination with preventives for diphtheria and typhoid fever.

Meningitis. Remaining to be completely overcome is the brain infection meningitis. Lumped into this broad class of diseases are a number that attack both the brain and the spinal cord. They can be caused by viruses, by fungi or germs. Some, it now is known, respond well to recently discovered "wonder" drugs. Others the sulfa drugs hold in check. But a few types await laboratory discoveries to be overcome. That goal may be near at hand.

Sleeping sickness. Encephalitis is another type of brain disease that may be brought under control sooner because of knowledge gained in the search for a polio vaccine. It is a virus-caused disease, and three types are known to occur in the U. S. Vaccines have been made, but their effectiveness is uncertain and they are not yet commercially available.

For them—and for other disease preventives that have not yet proved successful—new hope is unlocked. Techniques developed in production of the Salk polio vaccine now can be applied to help surmount previous stumbling blocks. New avenues are opened in medical research. Man one day may be armed with vaccine shields against every infectious ill that besets him.

—USN&WR Photo

THE MODERN PHARMACY

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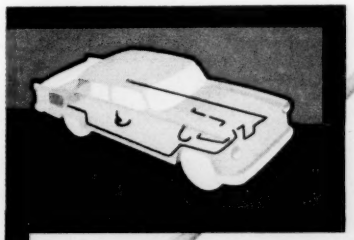

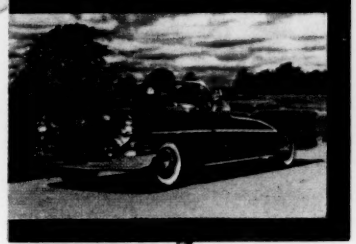

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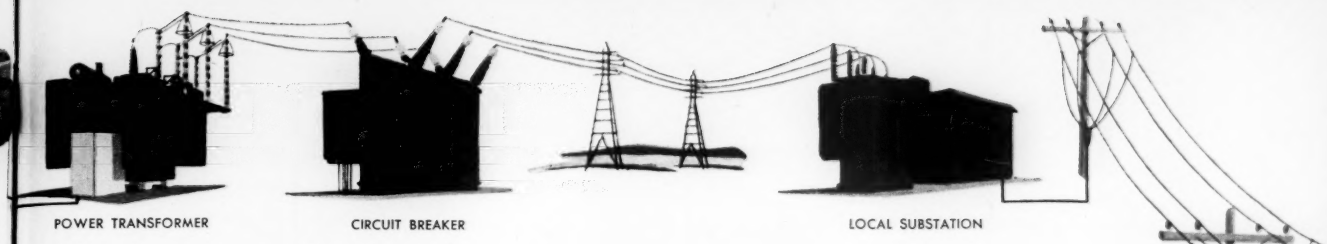

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. . . fuses blow out frequently.

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Can Talmadge Beat George in Georgia?

Dean of Senate May Be in Trouble Back Home

At a time when his national prominence is growing, Senator George, of Georgia, is caught in a political tangle back home.

If he runs next year, he'll have a real battle. Friends of Herman E. Talmadge say it's time for Mr. Talmadge to take over the Senate job.

Mr. George's prestige is at a peak. So is Mr. Talmadge's popularity. As politicians see it, something has to give.

ATLANTA

Senator Walter F. George, of Georgia, is being recognized across the nation as a potent force on the Washington scene, a mainstay of President Eisenhower in the Democratic Congress.

As President pro tem of the Senate, the Georgia Democrat carries great weight with his colleagues of both parties on over-all policy. His 33 years of service put him in line for any place he wants on committees. He has seniority over all others in the Senate, outranks the next man by more than four years.

–Wide World

EX-GOVERNOR ARNALL
. . . a three-man race?

–United Press

SENATOR GEORGE
. . . up against a real fight?

As chairman of the Senate Foreign Relations Committee, Mr. George has the last word in Congress on foreign policy. He could throw a roadblock in the way of President Eisenhower's program at any time. Instead, the Senator is trying to achieve a bipartisan foreign policy, often gives more support to such a policy than the President can get from his own party.

As a former chairman of the Senate Finance Committee, the Senator is an important figure in the writing of tax legislation. There are Senators who credit him with knowing more about taxes than any other man in Washington.

And, as a friend of the President, Mr. George always finds an open door at the White House. He talks over problems with the President in Augusta, or in Washington. The President and Mrs. Eisenhower gave a little surprise party for him on his 77th birthday; Mrs. Eisenhower sealed the birthday with a kiss.

Unmended fences. All of these things are well known across the nation. It is less well known that the Senator may be in deep trouble here in Georgia. Like many another Senator in the past who has won a national reputation, Senator George has failed to keep his political fences up at home.

The prospect is rising that Senator George may have the fight of his political life in 1956 if he is to stay in the Senate for another term.

The situation is this:

Senator George will be 79 a few weeks after his term expires. In the past, there have been hints that he might retire. Now, however, at the peak of his power, Mr. George says he expects to announce next year for re-election.

Herman E. Talmadge, former Governor, highly popular, with a State-wide organization, long has been regarded as the sure successor to the Senator. Both Mr. Talmadge and his associates are ready for him to take the seat. Plenty of Georgians are willing to bet that he can beat the Senator.

Oddly enough, if Senator George should be beaten, the man who would take over the chairmanship of the Foreign Relations Committee in a Democratic Congress would be Senator Theodore F. Green of Rhode Island, who at that time would be 89.

Waited long enough? Neither the power nor the prestige of Senator George plays any part in the calculations of the Talmadge camp. They say that Mr. Talmadge has waited long enough: It is time for the Senator to step aside for a younger man.

Mr. Talmadge has just surrendered the Governorship after six years and a highly popular administration. He will

(Continued on page 38)

–Wide World

EX-GOVERNOR TALMADGE
. . . ready to take over?

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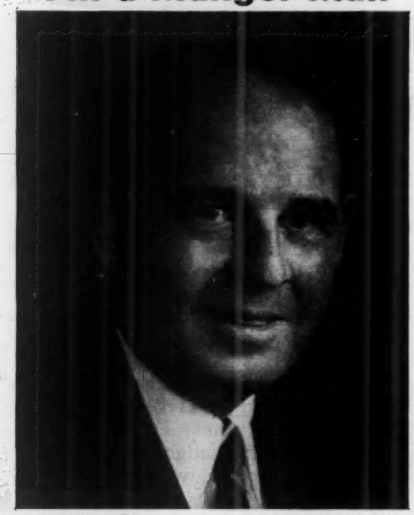

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[continued]

CAN TALMADGE BEAT GEORGE?

be 43 in 1956, when the Democratic primary is held. It is said that he can call 30,000 voters in the State by their first names. He and his father have been political factors to reckon with in Georgia for 25 years.

In the background of the present situation, however, a set of factors is operating that may prevent such a race between Senator George and Mr. Talmadge from ever coming off. Neither man definitely has announced his candidacy yet.

Politicians and editors who know the State best say that Senator George and Mr. Talmadge, whatever may be their differences of method and tactics, actually speak for the same interests in Georgia. They draw their campaign support from the same upper levels of business and society. They have mutual friends among those who direct the affairs of utilities, industries, banks, textile mills and other enterprises in the State.

No one consulted implies there is anything wrong about this support, or that either man accepts dictation. Each makes his own decisions and speaks his own mind. It so happens that each man reflects the attitude of "conservative" Georgians; each regards business prosperity as essential to the State.

In this situation, pressures are rising to prevent a primary battle between the two men. The top men in Georgia do not want to choose sides in a race between Senator George and Mr. Talmadge, any more than do the politicians.

Third man to run? On the side lines is Ellis G. Arnall, another former Governor of Georgia, only six years older than Mr. Talmadge. He has a reputation outside the South as a leader of "progressive" Democrats. Those close to Mr. Arnall say that, if a race develops between Senator George and Mr. Talmadge—dividing the "conservatives" of the State—Mr. Arnall is sure to be in the contest. His hope would be that he could pull enough "progressive" votes to beat the divided "conservatives."

Mr. Arnall's position, as described by his friends, is this: He would not run against Senator George if the Senator is not opposed by Mr. Talmadge. He would run in a three-man race, however, and he might run against Mr. Talmadge if the Senator is not in the race.

All of this is a part of a factional and personality squabble inside the Democratic Party. But the Democratic primary decides elections in Georgia. The general election is only a formality.

There is some urgency in the Talmadge situation. Mr. Talmadge is out of office, which is a fairly boresome situation for a politician. He is spending his time in law practice and farming. His organization, held together by personal loyalties, is ready to go in a campaign. And there are rising politicians in his group who would like to get him off the local scene. Mr. Talmadge, eager, ambitious, sees no reason why he should sit around and wait.

Moreover, in the background, Talmadge men say there have been implied promises that Senator George would retire at the end of his present term to make way for Mr. Talmadge. One friend of Mr. Talmadge says that, in 1952, Sen-

—Wide World

1938: FDR TRIED TO "PURGE" MR. GEORGE (RIGHT)
. . . the President's speech only helped the Senator

ator George told a secret caucus of the Georgia delegation at the Chicago Democratic Convention that he expected to retire in 1956 and hoped the then Governor Talmadge would take his place. This friend says a similar statement has been made since then by the Senator.

Senator's vigor. On the other side, close friends of Mr. George say they are sure that, if his health is good, as it now is, he will be in the race. They point out that his father died only a few years ago at the age of 96. And they find precedent for a man of his years beating a younger man. That precedent is in the race by Senator Alben W. Barkley, of Kentucky—who is about the age of Senator George—against John Sherman Cooper, then 53, in 1954.

The ties of Senator George to his home State are not too strong. Most of his trips to Georgia, in short vacations from the Senate, take him to his home at Vienna, a small town in South Georgia, removed from the capital and its politicians. A new generation has grown up and many of his old friends have died since he went to Washington.

It has been 17 years since the Senator had a real race in Georgia. In that period it has not been necessary for him to build a campaign organization. And, in his last big battle—in 1938—the opposition of President Roosevelt turned the tide toward Senator George. Georgians resented outside interference.

Eugene Talmadge, father of Herman, ran second in that race; Lawrence Camp, the Roosevelt candidate, ran third. Herman Talmadge got his first experience managing his father's campaign that year.

The biggest factor in favor of the Senator in a race at this time, his friends say, would be his prestige. A great many Georgians take pride in their Senator. They feel that he is a credit to the State, a symbol of old-fashioned dignity and courtesy. Moreover, as the son of a tenant farmer, he has appeal for all income groups.

Talmadge popularity. Just as the Senator is at the peak of his prestige, so is Mr. Talmadge close to a peak of popularity. A short time before he quit the Governor's office in January, 2,000 of his friends gave a dinner for him in Atlanta. They turned up with a new car and a pair of farm mules for Mr. Talmadge, a new station wagon and a dishwasher for his wife, Betty, and $100 each for their two sons.

And the Senator's friendship with Mr. Eisenhower would do him no good in Georgia. The Eisenhower stock is not as high in Georgia as in some other Southern States; it never has been. Mr. Eisenhower is a Republican. Georgia is Democratic. There still is some feeling about such things here.

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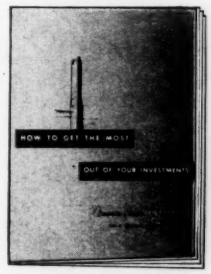

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At Bandung—

COMMUNISTS MISS THE BOAT

Red China has suffered a major setback in Asia and Africa. That's the real story of the Bandung Conference.

Communists, it turns out, are more feared than trusted among nonwhite nations. U. S. has more friends than it counted on.

What colored races want: peace, and an end to colonialism. Neither Chou En-lai nor Nehru can unite them against the West.

BANDUNG, Indonesia

Now that the African and Asian people have had their first big get-together, you find this:

- The colored nations—with more than half the world's population—are not banding together to menace the white man, as often feared.
- Communism is far from being the "wave of the future" that its leaders hope to make it in Asia.
- If the Chinese Communists start a war with the U. S. over Formosa, they not only will lose that war but will lose the rest of Asia with it.
- India's Jawaharlal Nehru, siding with the Communists when the chips were down, found he had few followers. There is widespread distrust of him in his own part of the world.
- U. S. and the West have far more friends and supporters among the nonwhite nations than was once supposed. Among people with newly won freedom, it is the Communists, not the Western nations that are now feared as colonial powers.

These are the big points that emerge from the conference of Asian and African nations just held at Bandung, Indonesia. The American defeat and Communist victory widely anticipated at Bandung failed to materialize.

Gathered at Bandung were delegates from 29 nations that contain 1.4 billion people. Most of them are non-white. Nearly all, at some stage of their history, have been subject to Western colonialism.

Two of the conferring nations are openly Communist—China and Northern Vietnam. Several, such as India, are professedly "neutral," often critical of the U. S., frequently seeming to favor the Communist side of international disputes. Many of the nations lie near the Iron Curtain, have reason to fear offending the big Communist powers. And virtually all dread a new war.

It looked like a situation made to order for the Communists. The least that was expected to emerge from the Bandung Conference was a big propaganda blast against the West. At worst, some Westerners feared, Bandung might turn into the beginning of a mighty, menacing alliance of colored nations, led by Communists.

The result, it is now being realized, was far less than the Communists hoped, far better than the West had feared.

Upshot. What actually emerged was this: Asian-African nations put both America and Red China on notice that whichever side uses force to settle disputes in this area would lose their support.

Formosa, everyone here agreed, could trigger a new war in Asia—and perhaps a world war. Both publicly and privately, delegates were mainly concerned with preventing the Formosan crisis from building up to the explosion point.

The pressure that was applied on the Formosa issue was directed as much against Red China as against the U. S.

Most Asian delegates, it is true, favored the surrender of Matsu and Quemoy to Communist China, saying they consider the islands legitimately Chinese territory and are afraid defense of these islands by U. S. would spark an unjustified war.

At the same time, however, several key delegates tried to dissuade Red China's Premier, Chou En-lai, from carrying out his repeated threats to take Formosa by force. It was obvious that most Asian countries, although rejecting Chiang Kai-shek's Nationalist regime as the legitimate Government of China, have accepted the American argument that the Formosan dispute should be settled peacefully.

U. S. observers at Bandung came away with this clear impression: As long as the U. S. pursues a policy that is firm but not belligerent, it can command wide support in Asia. Chou En-lai learned that he can fight for Formosa only at the risk of alienating the rest of Asia.

Who's the "villain"? Chou also learned at Bandung that his own country—not the U. S.—is widely regarded as a villain in this part of the world.

Chou came to the Conference ready to talk tough, to try to bludgeon the Asian nations into taking a strong anti-American, pro-Communist line.

What Chou ran into, however, was an attitude of moderation—and flashes of pro-Americanism—among the delegates. He was forced to modify his tactics. The revised speech that he finally delivered was surprisingly conciliatory.

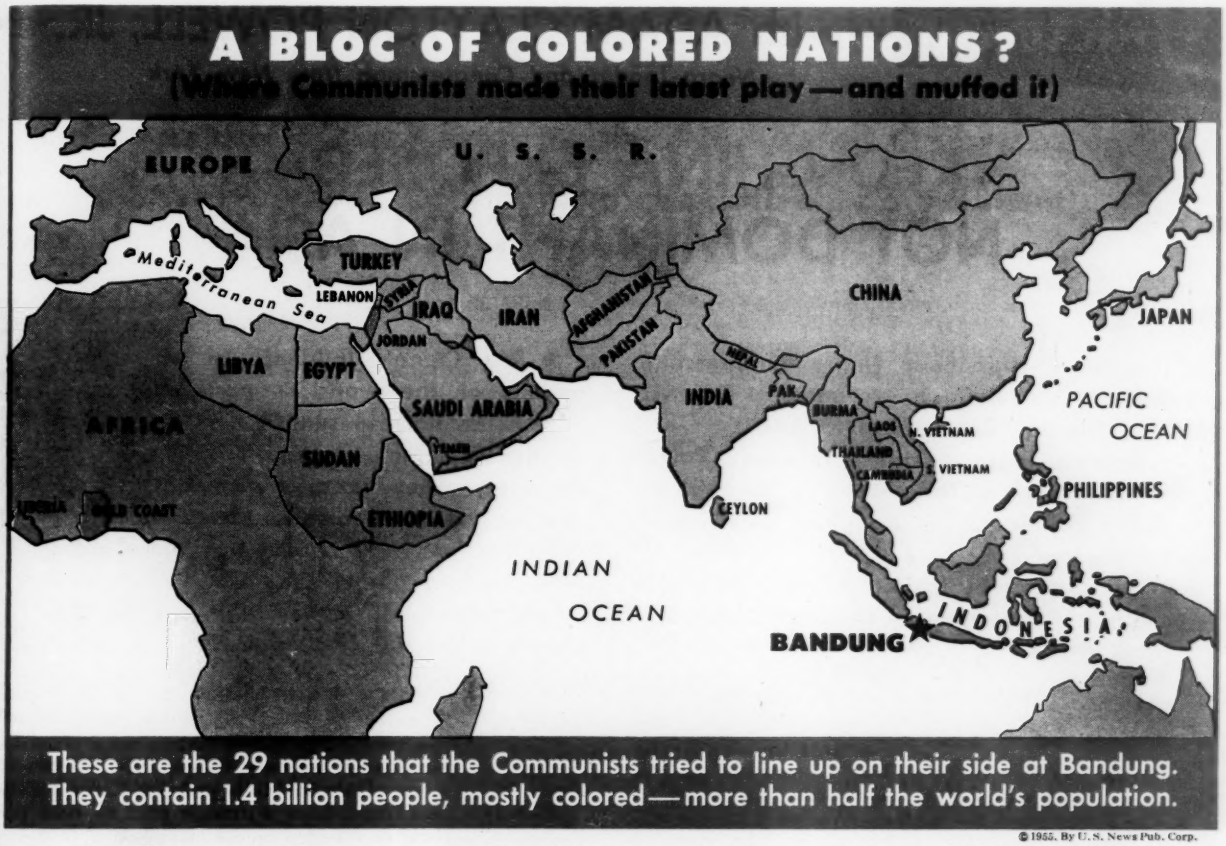
Chou had hoped to use "colonialism" as an issue on which to unite the peoples of the East against the West. Instead, he found delegates from seven nations accusing the Communists of practicing a new type of colonialism worse than the old colonialism charged against the West.

Nehru did everything he could to keep attacks on Communism out of the Conference, but Ceylon's Prime Minister, Sir John Kotelawala, insisted that the delegates should "declare our opposition to Soviet colonialism as much as to Western imperialism."

The enthusiasm which greeted these attacks on Communism made it clear to Chou that this Conference could not be converted into a pro-Communist front.

—Black Star

CHINA'S CHOU, INDIA'S NEHRU
. . . the big losers



These are the 29 nations that the Communists tried to line up on their side at Bandung. They contain 1.4 billion people, mostly colored—more than half the world's population.

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Chou had hoped to use color as a dividing line between the white West and the dark-skinned peoples of the East. Instead, he encountered strong opposition to any form of racism. Colored delegates showed their resentment of white domination. But what they wanted was to erase the color line, not to redraw it. The Philippine delegate, Carlos P. Romulo, got the loudest cheers of the Conference when he warned delegates "not to fall into the racist trap."

Big hope of the Communists was that they could use the Bandung Conference as a springboard to jump into leadership in Asian affairs. It didn't work out that way. On the contrary, more delegates spoke out in public against Communism than for it. And, in confidential talks with editors for *U. S. News & World Report* on the scene, the delegates showed a general distrust of Communist China. They agreed almost unanimously in wanting to stop the spread of Communism.

Red China, these talks revealed, is feared and respected as the major military power in Asia—but it has very few friends. The U. S., although often criticized, still has many friends and much respect in Asia and Africa.

Even "neutralism," as preached by India's Nehru, was shown to have little popular support. Many Asians suspect it as favoring Red China.

Nehru loses. Nehru himself came out of the Conference as a heavy loser. This, to many observers, is the most surprising and significant development of Bandung.

Before the Conference, Nehru was widely regarded as a "spokesman" for much of Asia. His avowed position is that India does not line up with either side in the "cold war." But he has consistently been critical of the U. S. and its Eastern policies. In disputes, he has appeared more sympathetic to the Communists than to the U. S. He has opposed anti-Communist alliances in Southeast Asia, advocated Red China's admission to the United Nations.

What Americans feared was that Nehru would succeed in lining up a substantial bloc of Asian nations behind his "neutralist" views.

What happened at Bandung, however, showed how deeply Nehru is distrusted by many Asian countries.

Nehru set out to rig the Conference before it began. He tried to arrange it so that the delegates' opening speeches would be printed and distributed, rather than read in person. He wanted only summary reports on closed proceedings, with communiqués prepared by a secretariat that he could dominate.

Aim of these plans was to camouflage disagreement and create the appearance that Asian-African nations were unified in spirit and purpose.

Nehru's plans blew up in his face on the first day of the Conference. Some nations insisted upon being heard—and their opening speeches revealed the disunity that it was hoped to conceal. Closed sessions were tape-recorded so there could be no "misunderstanding" later if disputes arose.

Nehru once stalked angrily from the meeting hall.

The only real victory that Nehru scored was enticing Cambodia into his neutralist bloc.

Final result of the Bandung Conference is still to be seen. Only time will tell where this first get-together of Afro-Asian nations may lead.

A threat removed. On the whole, however, the agreement now is that the U. S.—and the West—can chalk up a much better score at Bandung than anyone expected. And the big threat of the Conference has fizzled: The colored nations of Asia and Africa are not ready to unite against the whites or for the Communists.

Interview —with ADAM CLAYTON POWELL, JR.

Negro Leader and Congressman from New York

RED CHINA EXPOSED— NOT DOMINANT IN ASIA

From a prominent Negro Congressman comes this eyewitness account of a U.S. victory over the Communists in Asia.

Representative Adam Clayton Powell (Dem.), of New York, went to the African-Asian Conference in Indonesia on his own. He found—

• Attempts by the Communists to exploit the plight of Negroes in the United States are missing fire.

• Red China's influence in the colored nations of the world is vastly overrated.

• Asian masses resent Chinese. Asian leaders distrust Communism as a form of world imperialism. They want peace and they're against threats of force by anybody.

In this interview, cabled from the Conference city by regional editors of *U.S. News & World Report*, Mr. Powell tells how the U.S. stands in the nonwhite world.

At BANDUNG, Indonesia

Q As an American observer, how do you size up this Conference of the Asian and African nations, Mr. Powell?

A The United States has definitely come off better than the fondest hopes of Washington, and particularly the State Department. We had no Far East foreign policy. We had been depending for our foreign policy to a great extent on colonial powers—the Dutch, British. Our information—the information of the American people—about the Far East, is woefully scant or distorted.

Q You mean you didn't agree with those people who expected the United States would get smeared here?

A In the first place, I insisted before I came out here that the Far East was not antiwhite, not anti-American, but anti our foreign policy. I have found this to be completely true. The only antiwhite feeling you find here is indirectly the result of anticolonialism.

We overestimated the strength of Red China amongst its Asian and African equals. Here at Bandung, China has been exposed to people who are geographically and racially in the same company. It was one thing for the Chinese Reds to have stood on the coast of China with Quemoy one mile away and yelled at America 6,000 miles away. It's another thing to sit down at a conference table at Bandung with your neighbors and your racial equals.

Q Do you think this means the Chinese Communists have suffered a setback here?

A Most definitely. Red China came here posing as the master of Asia. She has now been exposed as just another Asian-African power.

Q Just how was she exposed?

A I think this is something that the American people should know and that I was totally ignorant of until I arrived here:

There is a centuries-old antipathy and, in some countries, hatred of their Chinese minority comparable to the anti-Semitism of the pre-Hitler and Hitler period in Europe. These people feel the Chinese have a strangle hold on their economies which was encouraged by colonial powers.

This was proven by the fact that many of the 2.5 million Chinese in Indonesia staged a special demonstration of welcome for Chou En-lai [Premier of Communist China] at Jakarta and Bandung. I saw them greet him with the Red flag and firecrackers. Yet, when he arrived at his headquarters here in Bandung, the street was packed with 15,000 to 20,000 Indonesians.

I stood no more than 10 feet from Chou as he awaited another hero's welcome. But when his red flag went up with all the pomp and ceremony that had been given each delegation, he received no more than 20 or 30 scattered handclaps—mainly from Chinese school children. Premier Nasser, of Egypt, coming to Southeast Asia for the first time in his life, received a much greater ovation.

Q Do you think Chou En-lai, when he arrived, expected to dominate this Conference?

A Most definitely. He thought that between himself and Nehru [Premier of India] they would emerge with an anti-United States bloc of Eastern powers. He thought the sheer weight of India and China would force neutralists and smaller states to side with them.

Q Was this Conference revolt against Nehru or mainly fear of Chinese Communist power?

A Neither. It was just the unanimous feeling of all these countries who have fought for so many years against the power of colonialism that they would not accept control by any power or combination of powers, regardless of disguises. The delegates here revolted against the phrase "Colombo powers," and have changed it to "sponsoring nations." These

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Asians Resist Power Plays of India and China . . .
Worry Over Communism, Racialism, Colonialism

people are antipower in any form—white or black, West or East, Communist or capitalist.

Q Well, if they are afraid of power blocs wouldn't you expect resentment among the delegates against the close relationship between Chou and Nehru?

A Precisely. It was the preconference teamwork of Chou and Nehru that was resented, resisted and challenged—apparently successfully—by the other delegates. Even the so-called neutralists—whom I prefer to call the uncommitted—definitely came out against Communism as a form of world imperialism.

Q Then you don't think people in this part of the world see Communism as "the wave of the future"?

A Definitely not. For example, I have talked to Indonesian officials who favor freedom for all people, but privately are worried about independence for Malaya where there is already a strong Communist movement. They are afraid an independent Malaya now would be a Communist Malaya and they're against any more of Southeast Asia falling into the hands of the Communists.

Q Isn't that encouraging for America?

A Of course. Actually, in some ways, Chou En-lai stupidly helped our cause.

Q What do you mean?

A For instance, take what happened toward the end of the opening session. When every single one of the delegates invoked the blessing of their God upon the Conference, Chou arose and said, "We Communists are atheists." In the midst of that deeply spiritual atmosphere, Chou played right into our hands with this astounding tactical blunder. It literally shocked many delegates.

—USN&WR Photo

ADAM C. POWELL, JR.

Q Did you find any support here for America's position on the Formosan problem?

A Non-Communist countries didn't want to raise this question at the Conference because they didn't want to antagonize anyone, including the United States. But behind the scene, many delegates told me Quemoy and Matsu should go to Red China. All of them definitely are against the use of force by either side—Communist China or the United States—to settle the Formosa problem.

Q How much support did you find here for Chiang Kai-shek and his Nationalist Chinese?

A Very little.

Q Did you talk to the delegates about thermonuclear weapons?

A Yes I did. They had originally placed that question on the agenda and struck it off because they thought it would give Red China an opportunity to sound off against America. However, to a man the delegates I saw were appalled at the mere thought of the United States using thermonuclear weapons. This emphasized to me again that this was a Conference for peace.

Q Did you find much support for the admission of Communist China to the United Nations?

A The question of Red China's admission was not considered by itself. You must remember that more than one third of the countries represented here do not belong to the United Nations. If the question of Red China's membership in the U. N. had come up by itself it would have been defeated by a vote of 16 to 12. But, if the vote dealt with the question of admitting all nations—including Red China—you will find most of the nations here supporting it.

Q Were most of the delegates you talked to for or against continuing restrictions on strategic trade with Red China?

A It so happened that Burma actually moved that these restrictions be lifted but it was opposed by the Philippines and Thailand. Since no motion could be carried without a unanimous vote, that move failed. But, on a simple majority vote, that motion would have carried.

Q If controversial questions such as Formosa were avoided, why did this Conference devote so much time to Palestine—which certainly is a controversial subject?

A The Arab bloc had the Colombo powers over a barrel from the very beginning. The Colombo powers didn't want the Arab countries to boycott the Conference, and so they were literally forced not to invite Israel. Therefore, when the question was raised by the Arab bloc it had to be dealt with. Nehru tried to pour oil on troubled waters by trying to persuade the Arabs to keep the discussion as calm as possible.

Q As a Negro, did you feel the Communists were able to exploit the color question for their ends?

A They came fully prepared to do so. They sent in advance a girl from Ceylon to ask loaded questions at all press conferences. At a Union of South Africa press conference she asked, "What aid can you hope for from the United States when it has the same doctrine of segregation toward the Negro as South Africa?"

The Communists wanted to show that the United States was practicing racialism within its own borders—but they failed to achieve their purpose.

(Continued on next page)

. . . "These people do not want Communism"

Q Was there any resentment here against you, as an American, attending the Conference as an observer?

A Quite the opposite. I was received here with open arms. Many of the delegates were friends of mine. In fact, I felt I did a lot of good. I was able to stop Communist propaganda concerning the American Negro by holding a press conference. At least, after my press conference the Communist press gave up attempts to smear the United States on the Negro question. I did this simply by telling the truth about the race problem in the United States.

Q But wasn't racialism as a world problem still a major question at this Conference?

A Yes. The subjects of racialism and colonialism were questions on which all delegates agreed. And here our nation was definitely hurt. Even our best friends at this Conference, such as the Philippines, stood firm for complete elimination of racialism and colonialism.

Q You have mentioned several times the question of colonialism. What is the feeling here toward America's attitude on that issue?

A We can no longer underestimate the passionate determination among these people that all men should be free. The delegates here who disagreed bitterly on the question of Communism were united on the question of colonialism. They simply cannot understand why the first nation in the world to defeat colonialism is now siding with colonial powers.

In the United Nations we abstain when the question of independence for North Africa and other colonies comes up. But this does not fool the leaders of the Asian and African nations at this Conference. They regard abstention on colonialism as a vote for it. From this Conference on, the United States, if it continues to abstain on colonial questions, will lose the support of Asia and Africa.

Q You've talked to many delegates here. On the basis of these talks, what do you think the United States can do to win more friends among the peoples of Asia and Africa?

A Here are obvious things we must do: Quit taking the side of colonialism in the U.N.; clean up the race problem in the United States as rapidly as possible, and get across the tremendous progress we've already made; appoint more Negroes to our foreign diplomatic posts.

President Eisenhower should invite the Colombo powers to a top-level conference on the problems of Asia. This is nothing unusual. It's the historic approach we have taken in formulating our European policy. There is no reason why we cannot do the same in formulating an effective policy in Asia. We must do it now because these people of Asia and Africa are on the march, demanding admission at the front door into the fraternity of modern mankind.

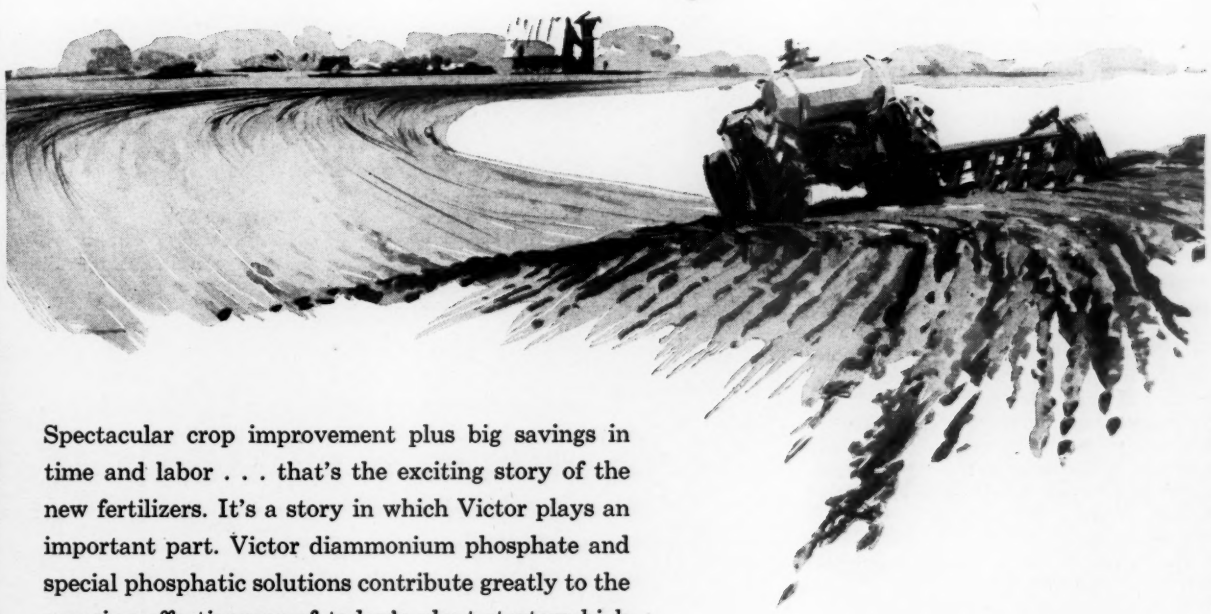
Q After attending this Conference, do you feel more hopeful about the prospect of stopping Communism in Asia?

A Most assuredly I do, but not on the basis of what we are doing now. We cannot defeat Communism in the Far East with military alliances alone. These people do not want Communism. They are hungry for freedom and democracy. Even Nehru, who is friendly with Red China, bitterly fights Communism in his own country. To the people here, Communism is not the only problem. They need the understanding and help of the United States to solve their ancient problems of poverty and colonialism.

—United Nations

THE PEOPLE OF ASIA: "They need the understanding and help of the United States"

Victor Chemicals improve fertilizers...



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WHO'S GETTING INTO U.S. NOW

Not Many Refugees, but Still Lots of Immigrants

Don't get the idea that all U. S. doors are being closed to foreigners. Row over refugees is but one phase of immigration.

Basic issue—why one alien is welcomed and another shut out—remains unchanged. It's the old argument over "quotas."

But immigration goes on. By one means or another, people are finding new homes in America at the rate of 200,000 a year.

A controversy as old as the U.S. itself, the question of who can and cannot settle in this country, is flaring up again—this time over the handling of refugees.

Congress is looking into the dismissal of Edward Corsi, prominent New York Republican, as an adviser to the State Department on refugee problems.

There are charges that immigration policies, as fixed by Congress, are being tampered with, and countercharges that those policies are not "workable."

The whole affair is arousing new interest in the pattern of U. S. immigration —in the number and types of aliens now settling in the U. S., and what parts of the world they are coming from. There is curiosity over why one person from overseas is encouraged to make a new home in America, while another is forbidden to enter the country under any circumstances.

The influx. Looking into the immigration story, you find this:

- New settlers are arriving in the U. S. now at the rate of more than 200,000 a year, compared with less than 100,000 annually during the depression of the '30s and more than a million a year before World War I.
- Aliens who want to make America their home must use one of two avenues —the Refugee Relief Act of 1953, or the nation's basic immigration law which assigns quotas to all countries outside the Western Hemisphere.

It is the Refugee Relief Act that is getting the most attention now.

That law authorizes 209,000 "refugee immigrants" to enter the U. S. from Europe and Asia, above the normal quotas, before Dec. 31, 1956, and also authorizes visas for 5,000 immigrant refugees already living temporarily in the United States. As the chart on page 47 shows, these authorizations benefit several types of immigrants who are not just "refugees." Orphans are provided for, and persons with close relatives in the U. S. Leaving out these groups, 116,000 visas are reserved for refugees under this law.

It turns out that, up to April 8 of this year, 1,082 persons who might be classified as real refugees have been admitted to the U. S. under the 1953 Act.

This had led to the charge that officials in the State Department are not energetic enough in clearing alien refugees for immigration to the United States.

Rigid standards. Those who must enforce immigration laws, however, point out that Congress laid down strict standards to be met by refugees before they enter this country.

- A refugee must give a personal history for the two years preceding his application for a U. S. visa. American officials abroad must check his statements, often through agents behind the Iron Curtain, to weed out Communists, Communist sympathizers and other undesirables. This verifying process, alone, takes an average of 42 days.

IMMIGRANTS ENTERING U. S.— UNDER "QUOTA" LAW

	NUMBER THAT CAN COME IN EACH YEAR	NUMBER ACTUALLY ADMITTED (year ended mid-1954)
Britain and Northern Ireland	65,361	21,092
Germany	25,814	28,361*
Ireland	17,756	5,169
Scandinavia	6,834	5,126
France	3,069	3,044
Other Western and Northern Europe	6,331	6,475*
Poland	6,488	4,851
Italy	5,645	6,042*
Czechoslovakia	2,859	2,005
Soviet Union	2,697	1,887
Other Southern and Eastern Europe	6,813	6,138
Africa, Asia and Pacific	4,990	3,908
TOTAL "QUOTA IMMIGRANTS"	154,657 authorized	94,098 admitted

*Excess above quota represents carry-overs from previous years

Canada and Latin-American republics	UNLIMITED	80,526
Spouses and children of U.S. citizens	UNLIMITED	30,689
Other "nonquota" categories	VARIOUS LIMITS	2,864
TOTAL "NONQUOTA IMMIGRANTS"		114,079

Source: Justice Department.

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• A refugee must have the specific promise, from a U. S. citizen or group of citizens, of a job and home in America. The State Department says that such assurances from Americans lag far behind the number of refugees wanting to come to the United States.

• A refugee must also obtain, from the country where he is living at the time, a guarantee of readmission to that country just in case the U. S. has to deport him. Not all countries are willing to give this guarantee.

The basic quotas. Along with the controversy over the Refugee Relief Act, another argument is going on about the basic U. S. immigration law, passed in 1952.

That law, known as the McCarran-Walter Act, codifies previous immigration laws. Like its predecessors, it limits immigration to the U. S. by the quota system. Under this law, 154,657 "quota immigrants" may come into the United States every year from countries outside the Western Hemisphere.

It was in 1921 that Congress first decided to install the quota system. Three years later, Congress reaffirmed the principle that each "quota country" would have an annual quota—based on the nationality's share of the U. S. population in 1920.

Over a period of 34 years, despite all kinds of pressure, Congress has held to the quota principle by overwhelming votes in both houses.

Under the quota system, the number of persons eligible to migrate to the U. S. varies widely from country to country. (See chart on page 46.)

More than two thirds of the world quota goes to Northern and Western Europe. Britain and Ireland, together, get about 55 per cent of the world quota.

At the other end of the scale, countries such as Bulgaria or Luxembourg get the minimum quota of 100. Far Eastern countries, such as India, China and Japan, once were barred entirely from sending immigrants to America. Now they get annual quotas ranging from 100 to 185 persons each.

Not all of the quotas are being used. Britain and Ireland send about one third of the immigrants they are entitled to. In Germany, Italy and some other countries, it is a different story. There, far more people want to go to the United States than can do so.

Quota immigrants to the U. S. now account for less than half the annual immigration to this country. Last year, for instance, 94,098 aliens entered the U. S. under the quota system, while 114,079 entered outside the established quotas.

Outside of quotas. The "quota law," itself, provides some exceptions to quota limits. Citizens of Canada and the Latin-American republics can enter the U. S. in unlimited numbers. So can wives, husbands and children of American citizens.

Other people are entering all the time as a result of special legislation passed by Congress. The Refugee Relief Act is just one of such laws. And several laws were passed between 1945 and 1948 permitting about 500,000 refugees, GI war brides and others to enter America outside the normal quota.

Even so, there are some in Congress and elsewhere who oppose the present system of quotas by national origin. They say that it discriminates in favor of Anglo-Saxons and Northern Europeans, and against other Europeans and Asian races.

President Eisenhower has criticized some provisions of the U. S. immigration law. Bills have been introduced in both houses of Congress to throw out the national quotas and permit more immigration to this country.

A firm policy. Congress, however, has always balked at that idea. It overrode President Truman's veto of the 1952 immigration law by margins of more than 2 to 1 in both houses. In previous years, Congressmen supported the quota system about as strongly, or more so.

People opposed to large-scale immigration to the U. S. say it would create difficult problems—finding enough jobs to go around, and absorbing huge numbers of people of different languages and political backgrounds.

The majority view in Congress is that the racial make-up of the American population should remain at about what it is now, and that new settlers in the U. S. should be limited by quota.

That has been the prevailing policy of U. S. immigration laws for the past 34 years. And it has changed little, despite controversies such as the one now going on about Mr. Corsi and the administration of the Refugee Relief Act.

IMMIGRANTS ENTERING U.S.— UNDER "REFUGEE" LAW

	NUMBER THE LAW ALLOWS (before end of 1956)	NUMBER ACTUALLY ADMITTED (as of April 8, 1955)
Soviet-bloc refugees in Western Europe, NATO nations and Iran	102,000	1,061
Refugees from Palestine	2,000	NONE
Refugees from Far East	7,000	21
Italians, Greeks and Dutch (refugees or persons having close relatives in U.S.)	94,000	15,201
Orphans	4,000	562
TOTAL "REFUGEE IMMIGRANTS"	209,000	16,845

In addition, the law authorizes 5,000 immigrant visas for refugees already living temporarily in U.S. NONE APPROVED YET.

An adult refugee, TO GET IMMIGRANT'S VISA, MUST:

- Give satisfactory personal history for 2 years preceding application.
- Obtain guarantee of job and home from a U.S. citizen.
- Have guarantee of readmission to country where he obtains visa, in case of deportation from the U.S.
- Meet security, moral, physical and mental standards required of other immigrants to U.S.

Source: Justice Department.

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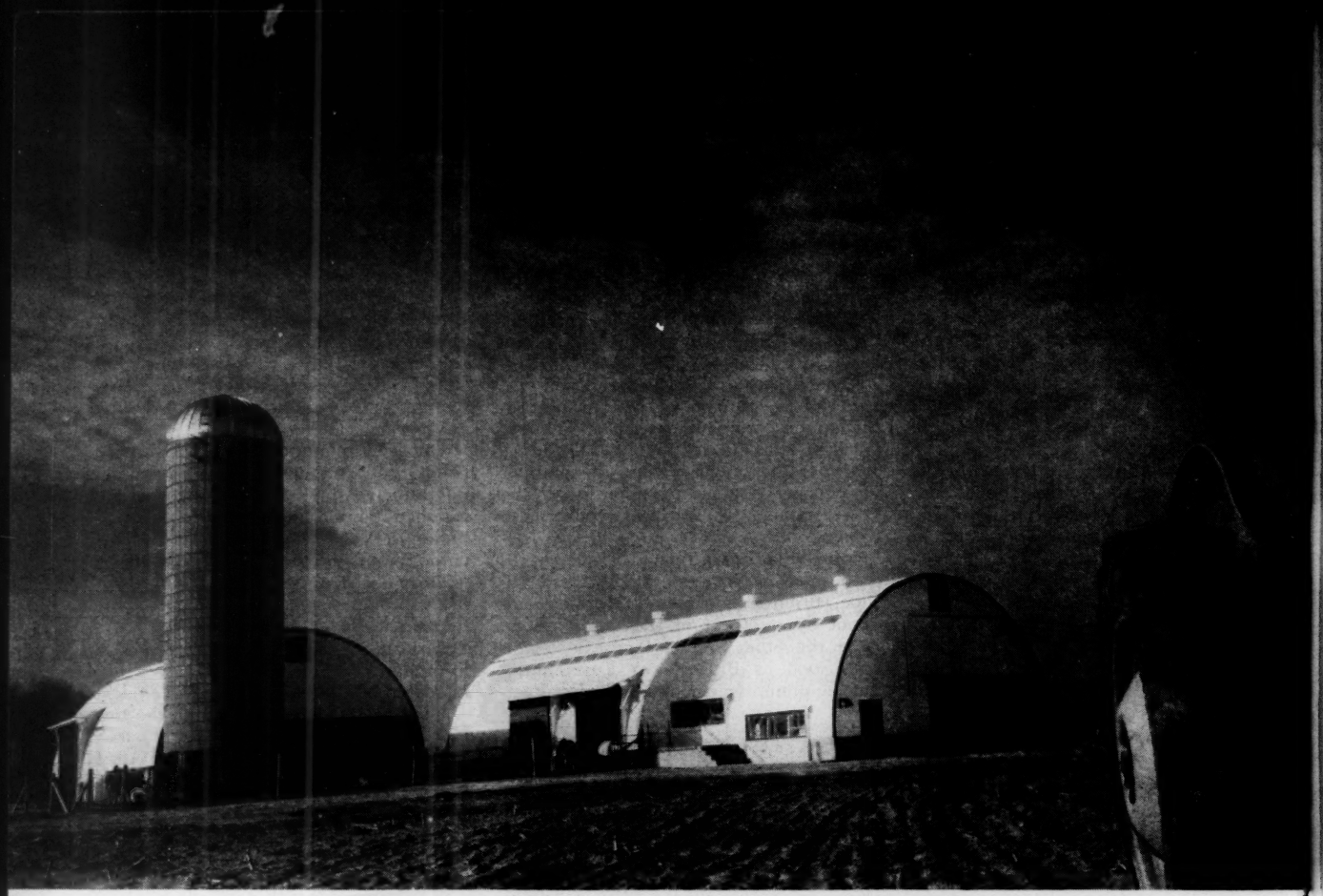


These two Quonsets—a dairy cattle housing demonstration and research project—are at one of the many colleges and universities with which National research men work to improve farm buildings.

THIS IS NATIONAL STEEL

Now they call it a "Working Tool"

Not so long ago, a barn was considered merely a shelter. Then, along came a revolutionary idea in steel . . .

For generations, the old-fashioned barn didn't change.

But all around it, out in the fields, there was tremendous progress.

New methods of plowing, planting, harvesting. New developments in hybrid seeds, insecticides, fertilizers, farm machinery.

Then, after World War II, the barn began catching up with progress.

A building pioneered by our Stran-Steel Division appeared. And with its arrival came the new idea that a farm building should be a "working tool."

That building was the Quonset—fabricated of Stran-Steel nailable framing and galvanized sheets.

A new way of thinking

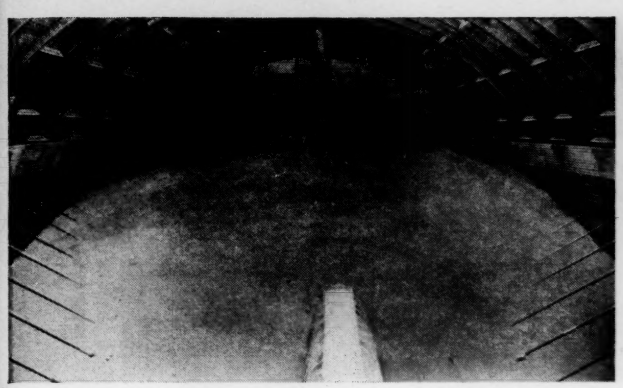
To begin, research men of National Steel looked at farm buildings in this new light. They saw them as tools, rather than buildings. Tools versatile enough to do many jobs, take much of the work out of farming, let livestock do much of the work themselves.

To develop their working tool concept on the farm, National Steel's research men—working closely with specialists at leading agricultural colleges and universities throughout the nation—started with a building that already had gained international fame during World War II — the Quonset.

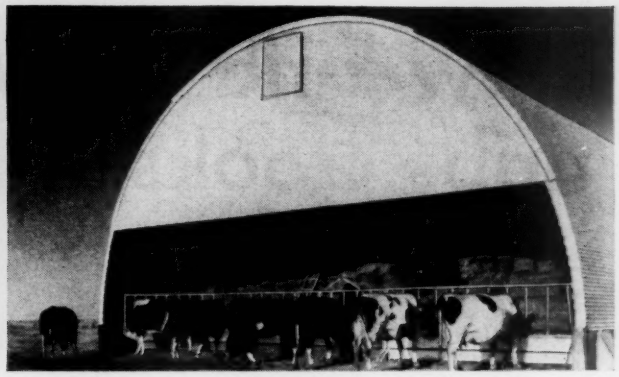
Grain drying and storage

Tackling the farmer's eternal problem of weather, National Steel's research men adapted the Quonset for grain drying and storage.

This Quonset, equipped with a drying and aeration system, makes it



In this Quonset grain drying and storage building, air is circulated through grain by means of tunnel seen in foreground. Building protects grain from spoilage and weather.



This Quonset hay drying and self-feeding building with a movable manger enables dairy cattle to literally eat their way into shelter, reducing the farmer's labor and feed costs.

possible to dry grain crops with natural air, and provide safe storage with no spoilage worries.

Today Quonset owners recognize their steel grain storage buildings as tools which save more from their harvests, keep crops at highest quality, provide greater marketing profits, and reduce weather worries.

Hay drying and cattle self-feeding

Further study of the working tool concept resulted in the Quonset hay drying and self-feeding barn.

Livestock specialists working with National Steel found that by using this building, hay was of better quality, cattle would eat more, and cost of milk production would decline.

When this Quonset is equipped with movable mangers, cattle feed themselves and literally eat their way into shelter. This feature sharply reduces feed bills and labor costs. And with post-free construction, it is much easier to handle cattle and keep facilities clean with power equipment.

Today's progressive farmers are finding Quonsets ideal for every farm job — drying, conditioning, storing crops; sheltering, feeding, caring for animals; protecting and maintaining expensive machinery.

What about the future?

In the words of one of America's leading agricultural authorities: "The new look in farm buildings emphasizes utility and versatility—two qualities that make a building work harder and make more money for its owner. This is one of the important ways farmers can meet the challenge of greater productivity with dwindling labor supply and rising operating costs."

That is why National Steel's research is directed toward the goal of making every farm building a versatile year-round, multi-use working tool that earns more for its owner by saving labor, lowering costs, and by improving quality of the product.

We at National Steel believe the working tool concept of buildings will continue to grow in acceptance and expand in application—not only on the farm but in industry and commerce as well. Its great strength is in the metal that makes it both possible and economical—steel.

Steel serves in many ways

Steel has played a vital role in giving our nation the highest standard of living the world has ever known. It works in many fields. It has solved many problems in our automotive and canning industries, and wherever steel has been called upon to serve.

Truly, steel is America's great bargain metal. And it is our constant goal, through research and cooperation with our customers, to continue to produce still better steels for a better America . . . now and in the future.

NATIONAL STEEL CORPORATION

GRANT BUILDING PITTSBURGH, PA.

"Quonset" is a registered trade-mark.

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WELDED INTO ONE COMPLETE
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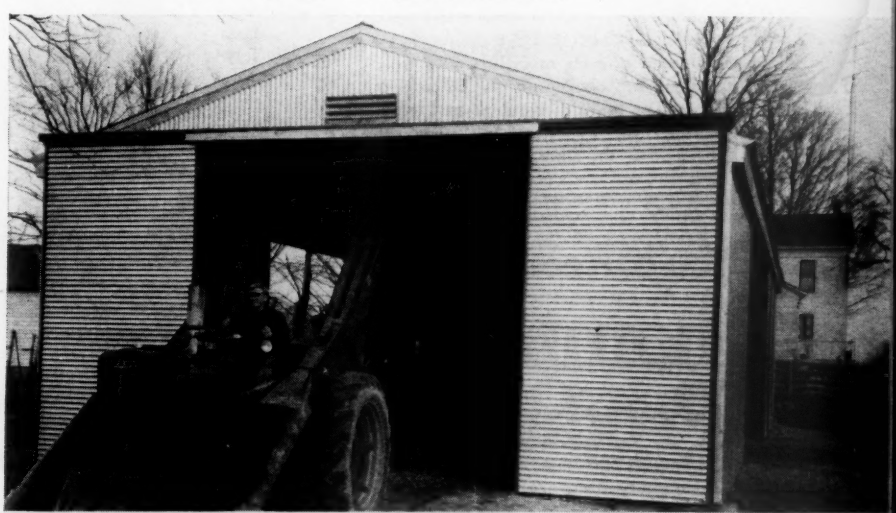

Meeting every need for efficient machinery storage and maintenance, this new Rigid-Frame Quonset provides easy-in, easy-out handling of equipment.

New kind of TV by Thompson nabs crooks, may watch baby!

Electronic miracle lets you see through walls

THERE'S a *new* kind of TV, a "private eye" that catches shoplifters red-handed . . . telecasts line-ups of criminals from Police Headquarters to outlying stations . . . that does guard-duty over prison cell blocks.

This *closed-circuit* TV has been developed so fast by Dage Television Division of Thompson Products, that soon you may have it in your own home. It will help you keep an eye on Baby, watch over the sickroom or see who's at the door . . . all while you're busy elsewhere in the house.

Imagine this spectacular TV's countless uses in industry, business and public life! Busy executives flick a switch and check factory processes. Large trainee groups "tour" the plant without leaving lecture rooms. Products are demonstrated to large, scattered groups. Engineers get "ringside" views of dangerous tests and operations at safe distances. Hospital nurses in corridor stations "see" into each patient's room. Medical students in classrooms get close-up views *(in color!)* of delicate surgical techniques taking place in operating rooms far away.

Closed-circuit TV is a spectacular result of work in electronics. But other Thompson developments are as important. *A few examples:* tuning devices in home TV sets, tape recorders, HI-FI amplifiers, co-axial switches for radar, radio and radio-telephones, aircraft antenna, and electronic controls and testing apparatus.

Thompson is a veteran in automotive and aviation fields. Today it helps pioneer in light metals and powder metallurgy, as well as electronics. You can count on Thompson to help make life more convenient and safer for you. Thompson Products, Inc., General Offices, Cleveland 17, Ohio.

Thompson's Electronics Division includes such leaders in the field as Bell Sound Systems and Dage Television.

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MANUFACTURERS OF AUTOMOTIVE AIRCRAFT, INDUSTRIAL AND ELECTRONIC PRODUCTS. FACTORIES IN SIXTEEN CITIES.

Crime doesn't pay . . . especially when the criminal has an unseen audience of store detectives watching his or her every move on a closed-circuit TV screen located in another part of the store.

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Worldgram®

FROM THE CAPITALS OF THE WORLD

BANDUNG....VIENNA....SAIGON....

>> Talk of war is beginning to sound somewhat hollow.

War over Formosa is receding as a real prospect.

Big war over little islands is probably not in the cards, despite Communist build-up. Communist China is not taking on the U.S., if Peiping can avoid it.

Trend in Asia, as in Europe, is toward truce; peace of a sort, not war.

Chinese Communists learned at Bandung that their only chance of winning friends in Asia is to cut out the war talk, make some moves toward peace.

Soviet Russians are maneuvering to establish a European neutrality bloc as a way to reduce the danger of war now--and push the U.S. out of Europe.

War talk is going out of style in both Europe and Asia.

>> This doesn't mean that the Communists are giving up any objectives.

Peiping's goal hasn't changed. The goal is still conquest of Asia.

Moscow's goal hasn't changed, either. The aim still is to rule the world.

What has changed is the timing, the tactics. If Quemoy can be won by waiting, why risk a big war for it? If neutrality can be made to look as good to West Germans as to Austrians, it's a safe way to try to force U.S. out of Europe.

Besides, Moscow and Peiping have their hands full at home. It's to their interest to try diplomatic maneuvers, and subversion, rather than war just now.

>> To show you what Soviet Foreign Minister Molotov is up to.....

A neutral Austria, sandwiched between neutral Switzerland and Red satellites Hungary and Czechoslovakia, puts the West farther away from Russia.

A neutral Yugoslavia would extend this buffer belt southward, flank Italy and Greece. Molotov sees hopes of nudging Marshal Tito into neutrality.

Finland already provides the northern end of Molotov's buffer belt.

Sweden, though pro-West, is technically neutral, no threat to Moscow.

A neutral Germany is the big one Molotov needs to complete his neutrality bloc, give Russia a western buffer from the Arctic to the Mediterranean.

Neutralizing Austria is a first step in Molotov's new program for Europe.

>> On the face of it, Molotov's offer to pull Soviet troops out of Austria is a gain for the West, a retreat for Moscow. But if Molotov's neutrality bloc materializes, the West will be doing the retreating, not Moscow.

U.S., in this case, would be eased out of Germany, maybe out of Europe.

European defense, without German troops or bases, would be disrupted.

Period of neutrality, meanwhile, would give Moscow time and opportunity to soften up the neutral areas under the shadow of growing Soviet military power.

Molotov has probably not forgotten Lenin's advice that it's necessary, at

(over)

times, to take one step backward in order, later on, to take two steps forward.

This is why Western diplomats, while moving toward an Austrian peace treaty and Big Four talks, are moving cautiously. Much more than Austria is involved.

>> In Vienna, with Austrian independence in sight at last, there's a tendency to see the men in the Kremlin in a new and softer light.

The Kremlin is said to want to end international tension, end "cold war."

Soviet marshals appear to have minor roles. In any case, at the Kremlin banquet for Austria's negotiators in Moscow the marshals sat below the salt.

Cautious men--Molotov, Bulganin, Mikoyan--are thought to be in charge of foreign policy, with Bulganin, not Molotov, dominant. Khrushchev, no Stalin, seems to stay out of this field. Foreign-policy bosses give an impression of wishing to consolidate Moscow's gains, of wanting no new, rash adventures.

So Vienna is hopeful that the Kremlin, this time, means what it says.

>> U.S. will be lucky if it can keep South Vietnam from falling apart. Saigon observers think that just about everything possible is going wrong.

Private armies continue to shoot up the Vietnam Army rather regularly.

Ex-pirates, whose income from organized vice in Saigon has been cut off, are waging open warfare with the Government in the streets of Saigon.

Premier Diem, despite U.S. support, seems unable to run his country.

U.S. and France can't agree on who's to run Vietnam, or how.

Machinery of government is grinding to a stop. Political bosses, once on Diem's side, are deserting him. Army officers are running out on him. Key men on Diem's staff, Saigon hears, are being kidnaped by his opponents.

It may not be civil war, but it has many of the earmarks of it.

>> To complicate matters for the U.S., the flood of refugees from Communist North Vietnam has somehow to be taken care of. U.S. has encouraged the flood, helped to transport, house and feed these escapees from Communist rule. But now the problem is to give the 600,000 refugees a chance to earn their living in a country that is short of capital, equipment, know-how and government.

U.S. is putting up 45 millions for the refugee program this year.

Years of spending are ahead, for somebody. The job has just begun.

U.S., having encouraged the migration, is expected to see it through.

When you add this refugee problem to the general mess in South Vietnam, you can see why Communists think time is on their side in South Asia.

>> Backstage at Bandung, where Asian-African unity was the big idea.....

Feuding among the 29 nations was more noticeable than the unity. Bandung, in fact, pointed up the conflicts that divide these nations.

India, it turns out, is not wholly trusted by its neighbors. Burma suspects India of economic aggression, using Indian bankers to dominate Southeast Asia.

Pakistan, behind the scenes, accuses India of "colonialism" in Kashmir, of helping Afghanistan stir up trouble on the Pakistan-Afghanistan border.

Bitterest feuding at Bandung involved the Arabs. Egypt-Iraq feud, over Iraq's military pact with Turkey and West, has split Arab League wide open. About the only thing Arab leaders can agree on now is hostility to Israel.

It's clear from Bandung that no one leader--neither Premier Nehru nor anyone else--can speak for the governments and people of non-Communist Asia.

Nowadays, F. O. B. means Family Out Buying

The day is long past when a car dealer can chalk up a sale with just a "nuts and bolts" story to the family breadwinner.

For the fact is, "togetherness" now rules the roost. Just check any showroom. While Pop has his head in the hood, Mom has her eye on the fabrics. While *he* talks horsepower, *she* tests power steering. And the low swing of that chariot aims to galvanize the younger generation.

And that's the way it goes whenever something new is to be added—whether it's a car or a carpet, TV or settee, soup or soap or shaver. These days, buying comes down to a vote, and *every* voice is heard from.

Still—and solely—in the vanguard of this major change is McCALL'S. Every month, McCALL'S mirrors the "togetherness" of America's families—in working, in playing, in shopping. Small wonder more and more advertisers are turning to this magazine. For McCALL'S is one timely vehicle in which products are powered to go places!

McCall's

Interview with HERBERT BROWNELL, JR.

Attorney General of the United States

"SHALL DOORS BE OPENED TO SPIES AND SUBVERSIVES?"

Are secret informants necessary to keep spies out of Government jobs?

Long-established practice of using confidential sources is the basis of the whole U. S. antispy system.

Now it is under attack, in court and in publications. Critics say a federal employe accused of disloyalty should be able to face his accuser in open court.

Attorney General Herbert Brownell, Jr., in an interview with *U. S. News & World Report*, gives the Government's stand.

Mr. Brownell points out that police, business, the press, others have long protected their secret information.

The U. S. must have the same right, he insists, to fight Communist conspiracy. The alternative: an open door for spies.

Q Just why is it necessary to be concerned over security in the U. S., Mr. Brownell?

A To begin with, the Communist threat is a very real one. The Communist dictatorship has now extended its sphere of influence to embrace one fourth of the earth's surface and bring under its control one third of the earth's population. Nations have lost their freedom overnight because they paid little heed to security.

Q What's the direct threat today?

A The Communist Party of the United States is part and parcel of the world-wide Communist conspiracy. The American Communists come out of the same mold which produces the Communists of other lands.

Communist leaders in this country have time and again emphasized that numbers alone do not reflect the real Communist strength. The record shows that the Communist Party's strength runs far beyond all formal measurements.

Communist leaders, themselves, have frequently pointed out that one or two public employes in the proper place can better serve the Communist cause than masses. One Klaus Fuchs gave away the secrets of the atom bomb. It took only one Hiss, one Remington, one Coplon to be in a position to cause incalculable harm.

The record of Communist destruction in the United States has proven time and again that non-Communist Party members can sometimes be utilized even more effectively than a party member.

For example, Harry Gold, who was Fuchs's messenger boy, was never a member of the Communist Party. Yet, he did the Communist work.

Q But they are relatively small in number, aren't they?

A As the President pointed out last year, while the total membership of the Communist Party is small, "they are dangerous." If there were only a handful of Communists, they would still present a danger because they are dedicated to overthrowing our way of life. It is a basic tenet of Communist organization that, when favorable situations arise, Communist parties have swift and solid growth.

In Communist Party schools, which no longer are conducted openly, the Communists cite Soviet Russia as the classic example. In Italy, the Communist Party had only 15,000 members, which later grew to over 2 million. In Red China, at one time there were less than 10,000 Communist Party members, which later grew to some 6 million. Communists are scheming, practical, devious men and women dedicated to the destruction of our way of life.

So long as world-wide Communism menaces the peace of the world, certainly the bulwark of security in the United States must constantly be strengthened and manned to make impossible the fulfillment of their Trojan-horse tactics.

Q What is your answer to the statement that a vast number of persons in the Government are not only loyal but are fully eligible under the standards of security, and that the type of procedure we have has tended to break down and discredit employment in the Government service?

A I don't think there is anything to that. The fact is that the overwhelming number are loyal and not security risks. There have only been about 5,000 pending cases out of 2.3 million employes of the Government. I think those figures themselves prove something.

Q Is it a question of the number who are found to be in the security-risk category, or is it a question of the damage that can be done by the few?

A Well, one Klaus Fuchs is enough, isn't it?

Q Do you think, looking back over it from your knowledge of the whole problem of security and subversive activities in America—now that you have been able to get familiar with the inner workings of the Department of Justice—this has been and perhaps still is an insidious effort to infiltrate our Government?

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Attack on FBI's Informant System "Part of Communist Strategy" . . . Reds Still Try to Weasel Into Government

A There is no question about it. It's the national policy of the U.S.S.R. to infiltrate the governments of all free countries of the world, and the United States has top priority with them.

Q And is there evidence that they are increasing their activities?

A I think the Communist Party in the U.S.A. is weaker today than it was some years ago, but the effort of the Russian Government to infiltrate our Government is still strong.

Q Is there a hard core of Communists still left in this country?

A Yes.

PARTY MEMBERS: 23,000—

Q Approximately how many?

A Well, the FBI estimated at the latest count there were about 23,000 members of the Communist Party in this country.

Q Are those the people who are totally devoted to the interest of the Communist Party?

A They are members of the party. Of course, the most dangerous of them are operating in the underground.

Q But would you say these 23,000 could be construed to be agents of the Soviet conspiracy?

A Certainly they must know by this time the intent and purpose of the party in this country is to overthrow the Government by force and violence and that it takes its cue from Moscow.

Q How much work do you think these 23,000 persons do for the Communist cause from day to day? Do they have other occupations?

A They have other occupations, some of them, although many of them are full-time Communist Party functionaries. They have national headquarters in New York City, and they have their front organizations to raise money for their causes, to train recruits for them, to train people how to infiltrate into labor unions, defense plants, schools and colleges, the Government. And they work at it with a dedicated, fanatical zeal.

Q Do they use intermediaries to contact the Government? Or do you think they make direct contact with the Government?

A Well, they use all the methods of a conspiracy—direct and indirect. They engage in activities directly, and then they also seek out weak persons who are subject to blackmail and who would be susceptible to their influences.

Q Is it possible to detect in its incipient stages the propaganda they generate, and to show how they are able to intensify that propaganda from day to day and week to week?

A You can by following their activities get a pretty good idea of their propaganda line. For example, at the present time they are trying to pressure the United States to stop all atomic tests, they are trying to break down the FBI informant system, they advocate admitting Red China into the United Nations, they advocate no rearmament of Western Germany—in short, they are seeking to develop opposition to every effort of the United States Government to defend and preserve itself and the free world.

Q There have been lately a number of suggestions to change the methods of handling the security matters, and various ideas regarding the confidential informants in the Government. What do you think is the significance of this controversy at this time?

A Without the use of confidential informants, it would be almost impossible, as a practical matter, to combat effectively the Communist conspiracy in this country.

Q If confidential informants are ruled out, would that be one effective way to break down the whole detection process?

A Yes, and that is part of the current program of the Communist Party in the U.S.A.

Q Why do you think they are so interested in breaking up your system of detection?

A As you recall, the Government has convicted many of the first-string and second-string leaders of the Communist Party. In order to obtain those convictions, undercover agents, secret informants had to be uncovered when they went on the stand at the trial and gave testimony as to the actual operation of the Communist conspiracy in this country. Without their testimony, it would have been impossible to secure convictions.

WHEN FBI AGENT UNMASKS—

Q Do you sometimes find that the confidential informant has to be kept under cover for the period that might run beyond the time of the trial, so that you really can't use some of your confidential informants?

A That is correct. Every time we have to uncover one of these confidential informants, of course, we lose that much contact with the underground operations of the Communist Party.

We have to keep, under the control of the FBI, key confidential informants who will continue to report the secret plans of subversives to the Government, so that we can be prepared to meet emergencies and protect our secrets. In many prosecutions we have to weigh the value of a conviction against the future value of our contact agent.

Q If a man is employed in the Government and is secretly attending meetings of the Communist Party, and one of your confidential informants is there and tells the FBI, and they tell the governmental agency about it, could such an employe ever be fired if you found it undesirable to confront the Government employe with the confidential informant?

A In order to answer that, I would have to tell you of present procedures. At the present time, when the Government receives substantial information of a derogatory nature concerning a Government employe, then the Government draws up a detailed statement of charges against the employe and hands it to him. Then he is given time to answer the

(Continued on next page)

. . . Replacing a secret informant "could take years"

derogatory information as set forth in the statement of charges—

Q You give him all the information, but not the source, is that it?

A We are not always able to give him the sources. Of course, in certain cases the Communists would like to know what those sources are, because, if they can once spot the confidential informants of the Government, they've won a large part of their battle against our national security. Oftentimes, then, for the security of the country, it is necessary to keep the source of the information confidential.

The FBI seeks to corroborate the information supplied by the informant and always furnishes information in its reports reflecting upon the reliability of the informant. In the event there is no information bearing upon the reliability of the informant, this fact is shown in order that proper weight can be afforded the information by those engaged in the adjudicating process.

RIGHTS OF AN EMPLOYE—

Q The employe can put in his answer?

A Yes. At all times he can retain counsel and have a hearing. Unless security reasons make it impossible or the informants refuse to testify, the witnesses are produced by the Government before a board of three distinguished persons—Government employes who are outside this employe's department—and a stenographic record is kept of the hearing. As I say, he has a chance to present all the evidence that he has in his favor to controvert the Government's charges.

Q Is the statement of charges comprehensive?

A Yes. While not identifying confidential sources, it does set forth the specific acts deemed derogatory. Thus the Government employe does know—in every case—the specific acts which he is charged with committing, and can answer with such evidence or denials as he desires to present.

Q If a man who is an undercover agent for the FBI, for example, sends in this information, and the hearing board does know that this comes from the FBI, and the man has reported that the employe attended a meeting, would the proposal now being made by some critics require that this agent be disclosed and be subject to cross-examination—is that the idea?

A In the first place, if the information came from an undercover agent of the FBI, that fact would be disclosed in the FBI report and the hearing board would know it was in the FBI report. Secondly, if to disclose the identity of the FBI undercover agent would be harmful to the national security, then, of course, that individual could not be produced. Should the hearing board want additional information, the FBI is available to attempt to secure it.

Q And if the informant is identified, would that important source's usefulness be ended?

A That's right.

Q Then wouldn't you have to find other means of getting other agents surreptitiously introduced into the picture to take his place?

A Yes, and that could take years. Now, there's another point I should mention here and that is the different types of informants. There is the ordinary citizen who has derogatory information about a Government employe and who reports this to the FBI or one of the intelligence agencies of the Government. He will report that in confidence, and many times he is not willing to testify in a hearing.

Q Why is he unwilling, do you think?

A Well, it is difficult to generalize, but there may be a number of reasons. Some may fear repercussions from their neighbors, others may fear criticism from acquaintances. Some may fear economic retaliation and loss of business. Others may wish to avoid becoming involved in controversy.

The FBI checks such information in an effort to establish its truth or falsity, and reports any known facts reflecting upon the informant's credibility. If it should appear that the informant may be motivated by spite or malice, the facts indicating this are also reported in order that proper weight might be given the information when it is evaluated by the hearing board. But the Government does have the obligation of securing all information—both favorable and unfavorable—and if the only condition under which information will be communicated is to protect the identity of the source, then that must be done.

If we break the word of the Government to that informant and disclose his identity, well, then, we are naturally not going to get other citizens to come forward with the information which they have.

Q Do some of these informants fear physical harm if their identity is disclosed?

A Certainly that is true in the case of former members of the Communist Party who finally realize the conspiratorial nature of the world-wide Communism and come to the FBI and tell their story to help their Government; there have been cases where they have been subjected to public ridicule, intimidation, threats of violence, and constant harassment. Even their families and children have not been spared from these pressures. I must say that most of them have faced this ordeal in a very splendid way and have done a real service to our country.

Q How does the number who have been disclosed to public view and have been in the papers as informers compare with those who have not ever been disclosed—which number is the larger?

A It's a comparatively small proportion that ever becomes known.

Q So that there is a large number who have not received publicity or limelight through the giving of information?

A I'd say an overwhelming percentage.

PROTECTING INFORMANTS—

Q And the FBI has kept faith with those people?

A In every case.

Q Do they feel that their names will never be used without their consent?

A When FBI agents give their pledge of confidence, they do so pursuant to policies established by the proper officials in the Government, and their identities will be protected certainly by this Administration as they have by previous Administrations.

Q How would you distinguish between these people who are furnishing confidential information and those who have publicly commercialized, as it has been claimed, their position as informants? How do you view the criticism of the latter category?

A I assume you mean [Harvey] Matusow, who has publicly stated that he gave false information.

Q But he has been sentenced for contempt—

A Yes. And the judge in that case held that Matusow's

original testimony was true, and that, when he recanted and gave conflicting testimony, he was working in co-operation with others in a conspiracy to destroy the FBI and the Department of Justice, and was in contempt of court for obstructing justice.

Q Have there been other cases of that kind—people on the Government-witness side who have been found faulty later on?

A You mean in the field of the Communist conspiracy?

Q Yes—

A The Matusow case is unique. It is part of the concerted drive to discredit Government witnesses, the security program, and ultimately our system of justice.

Q When these informants come to you, do you check their statements to get corroboration?

A Oh, yes, very definitely.

Q If you find that an informant gives you information which is corroborated by others, does that necessarily mean that everything else that informant tells you is accepted as bona fide, or do you check it again and decide on its merits in each case?

A In each case we have to check it on its merits. Of course, in all criminal law enforcement work, especially where you are dealing with conspiracies, you are using witnesses who are not, shall we say, always of impeccable character. We must use the people who know the facts—whoever they are.

The important thing that the Government has to do is to see that the particular evidence which this man gives in any legal proceeding is checked and double-checked to be sure that it is accurate.

BREAKING A CONSPIRACY—

Q Do you think, generally speaking, that crime of all kinds could be detected and punishment administered to the guilty unless there were a turning in of "state's evidence," as they call it?

A In some instances it would be most difficult. Because every system of law in the world has recognized the need for informants. In our own country, under our own system of law, from the very beginning the use of informants has been passed upon by the courts and approved, and the reason this is so is because it is necessary. How are you going to know about a highly secret conspiracy unless one of the conspirators tells about it?

Q You mean you can't have a sound moving-picture camera at the scene of the crime and get evidence?

A No, they're not that accommodating.

Q And the Soviet Government doesn't send you any sworn affidavits as to who their agents are?

A It takes a lot of good, hard work to dig out the evidence.

Q Has it been a principle of federal, State, city government to offer compensation to those who furnish information?

A No. The number of paid informants is relatively few, but it is well known that governments everywhere have always used the informant system. Invariably one of the best ways to break up the vicious narcotics traffic is through such a system. It is used in tax cases involving fraud. It's a common device and an important one. It has, of course, certain dangers, which officers in the Government realize, and we take every precaution.

Q Do you draw a distinction between the use of informants in court proceedings and the use of informants in Government security proceedings?

A Yes, there's a big difference. Because, right from the beginning of our Government, the law recognized that the Chief Executive and the heads of the departments have to be able to use their discretion in the selection and the dismissal of employes.

Q But in court proceedings you are obliged, under the Constitution, to confront the accused with his accusers—

A That's right.

Q That's a basic principle?

A That's why I said a little while ago that in all criminal cases—including Communist cases when you get into court—in order to produce the evidence you may have to uncover the informants.

THE POWER TO DISCHARGE—

Q But, inside the Government in the matter of hiring and firing, do you think there is any requirement which obliges the Government to have virtually a court procedure in every respect?

A No. The courts have held to the contrary. They are subject, under certain Civil Service rules, to a notice of charges and opportunity on the part of the employe to answer. But the discretion of selection and dismissal lies within the agency.

Q It's not an inherent right to the employe?

A No.

Q And the law does not require you to furnish the accused employes with the names of the informants who have furnished you with the data?

A No. The presidential order says that, first, the head of the department must be personally responsible for seeing to it that there are no security risks in his department and, secondly, that before he can discharge a person as a security risk he must give him notice and a hearing.

Now, the rules for a personnel security hearing under Executive Order 10450 are not the same as court rules in a criminal proceeding. It's recognized that the sources of some information must be kept confidential. But there is a provision right in the rules of Government proceedings that the hearing officers must take into account that it's a real handicap to the employe that he doesn't always know the source of the information—and this must be taken into consideration by the hearing officers when they make their decision as to whether or not the person is a security risk.

Q But the final word is a matter of decision by the security board and the departmental head?

A That is correct.

Q What enters into their minds in reaching a conclusion need not always be legally admissible evidence?

A Yes. It might be compared to the operation of a newspaper except we are not under the same time pressures. The reporter goes out and gets his story. If he's a responsible reporter, he doesn't publish that information without checking-and double-checking on the source of his information—for his own satisfaction and his editor's. And, I might add, he will not disclose the source of that information when it is given in confidence.

The reason is that it is essential to a free press that the newspapers be able to publish information without being required to disclose the source. Otherwise, the source will be subjected to all sorts of attack, and gradually you'd destroy the free press.

(Continued on next page)

. . . "Review of 2.3 million U. S. employes almost completed"

Now, the same thing is true here, but the need of the Government to protect its sources is even more important. In order to protect the security of the Government as well as to counteract espionage and sabotage, it's more in the interest of the country to protect the source of the information than to require the disclosure of that source. In order to dismiss an employe of the Federal Government when we have some derogatory information on him, we must be free to do this without revealing our confidential sources.

Q Do you believe that employment in the Government is a right, or is it a matter of discretion on the part of the Government as to who shall remain in its employ?

A President Eisenhower has said many times that there is no right to work for the Government—it is a privilege, and this position has been accepted since the earliest days of our republic. This privilege carries certain obligations. One of the obligations is that you have to protect your Government's secrets. Likewise, those responsible to the people have an obligation to delegate public duties only to those worthy of complete confidence.

Q How, then, can it be said that under the Constitution a man has a right to be confronted by his accusers at all times? There has lately been a lot of agitation about that—

A That is correct when you are talking about constitutional safeguards which apply to criminal proceedings.

NO "TRIAL" BEFORE FIRING—

Q Do you regard being dismissed from the Government as a penalty or punishment similar to punishment administered for a crime?

A No, and it never has been so regarded. Right from the start, back in 1883, when the first Civil Service laws were passed, and under the Lloyd-La Follette Act of 1912, the employe is notified of the charges against him and is given the right to come in and answer them, but that Act from the beginning denied a right to any hearing, and it provides for no examination of witness nor any trial in a judicial sense at all. That is true even though the charge against the employe involves an alleged criminal act or some act of grave moral turpitude. These charges, of course, involve a stigma on the employe.

Q What is there to the argument that the stigma which attaches to an employe who is dismissed for incompetence is as nothing compared to the stigma of his having been dismissed for security reasons?

A Of course every discharge carries some stigma; a doctor who is discharged for professional malpractice would have a stigma attached to his name for all time to come. The same would be true of an employe dismissed for bribery or acts of immorality, as I suggested earlier.

But I would point this out, first, that the fact that you work for the Government does not give you special rights which render you immune from charges. The procedures are set up to give the maximum protection which can be devised consistent with national security.

The chronic drunkard or a person who has some incident in his life that he must protect and is subject to blackmail—those are the type of people, even though they are entirely loyal, whom the Soviets seek to use in this country and in all free countries of the world to get their information.

The security program is designed to reach positive disloyalty and doubtful loyalty as well as the drunkard and the loose talker.

Q But isn't it argued that, when they are dismissed, the public has no knowledge of all the circumstances and, hence, assumes the worst because he has been let out as a "security risk"?

A The only way the information becomes public is through the employe himself. The Government regards his records as confidential. They are not disclosed, and no public record is made of the action in the case.

I would like to add one more thing to what I said a moment ago. This review of the 2.3 million employes in the Federal Government is almost completed. As of now there are only about 5,000 cases still pending out of the 2.3 million employes in the Government. So that, when this is completed, as it will be in the course of the near future —this tremendous task of reviewing all these cases and eliminating all the security risks from the Government payrolls—then the job will merely be to keep security risks out of Government.

I think that everyone should know that the job has been done, well done, and, regardless of anything they may say, the Government is much more secure today against the loss of vital secrets, more secure against a repetition of incidents such as occurred with Hiss and Harry Dexter White, and Remington and Coplon, than at any time in our recent history.

Q Now, if this present procedure is reversed, will that make it easier for spies and saboteurs?

A It will make it extremely difficult if not almost impossible to dismiss security risks. That, in turn, will make it easier for Communist agents to maintain or develop contacts within the Government. Shall we open the doors to spies and subversives?

ATTACK ON SECURITY PLAN—

Q Do you think the people who are arguing for these so-called technical changes are doing so without an awareness of the dangers?

A One group represents the Communist conspiracy, their apologists and dupes. The other represents sincere persons who have never been confronted with the awesome public responsibility for internal security and who do not know the hard facts. It is the Communist, however, who is most vigorously trying to destroy security procedures. There's no doubt that this is part of their current program in this country, to destroy the informant system of the FBI.

Q Is there much attention given to this problem in the *Daily Worker*, and so forth?

A Oh, yes, in their literature, in their speeches, in their telegrams to members of Congress—

Q They are carrying on a concerted drive to try to break down the security system?

A That's right. That is the big part of their 1955 program.

Q Do you think they have a lot of allies who are not connected with them but who are doing parallel work in the drive?

A Well, there are many people who have no connection whatsoever with the Communists who have an emotional reaction to these things and don't realize the breakdown in our Government operations that would be involved if the order to discharge a person entailed a regular judicial trial and the disclosure of all sources of information.

. . . "Communists influenced some of Government's policies"

Q Do you think the security measures generally and the employe-security program in particular are understood by the public?

A It is not well understood. In fact I must admit that before I came to Washington two years ago I had no idea of the extent to which the Communists had influenced and even controlled some of our Government's policies by working through weak or disloyal federal employes.

Q If they couldn't be fired, would we be stuck with them in the Government indefinitely?

A That would be the practical result. Many people seem to think that this security program is unnecessary, that it is too cumbersome. Of course, some of the suggested remedies would make it much more cumbersome. But some people don't seem to realize that we have a new problem in this country, that we are in a "cold war," that there are constant attempts by the Soviet Government right up to the present to get information from our Government employes.

Let me give just one illustration of a man who was recently discharged under this program—Joseph S. Petersen, Jr.—who had long been in Government. He was examined under this new program which provides that no employe can be kept in the Government unless his retention is clearly consistent with national security. In checking on Petersen, some derogatory information was found which led to a thorough investigation by the FBI, and it was discovered that he had some of the most secret documents of our whole Government in his home, and on further investigation that he had even delivered some of these documents to a foreign government. He later pleaded guilty and is in jail today.

SECRET FACTS FOR COURT—

Q Under our system is a man always given a chance in criminal proceedings to face those who give derogatory information to law-enforcement agencies?

A No. Even in criminal cases, that rule is not always enforced at every phase of the proceeding. For example, after a man is convicted of a crime, the judge then relies on a probation report, which contains information collected about the defendant from various sources which are not disclosed to him.

Q This is after he has been put on probation?

A It can be either before or after he has been sentenced and the judge is trying to decide whether he should be put or kept on probation or should be sent to jail. The judge relies in making that decision on a probation report, and the defendant has no right to know the source of that information. So that, even in this important phase of a criminal case in our country, secret information is used but the defendant is not entitled to know the source.

Q Also, if the Government went out to check on somebody who had made application for a job, and went to a citizen, the citizen would have the right to refuse to give that information if he was going to become involved in a controversy?

A That's right; that is just one of the human factors we face. And all people have that right.

Q Would he hesitate, do you think, in many cases to furnish information about an applicant if he was not guaranteed that protection?

A Our experience has clearly demonstrated that they sometimes hesitate or even refuse.

Q Now, on the right of the Government to protect itself, do you think that this supersedes the right of any individual?

A You mean in these employe-security cases—

Q Yes—

A I think it is our solemn obligation to the American people to take every possible precaution to safeguard against any disaster that could result from disloyal people or those who are security risks being placed in any position where irreparable harm could result. The general welfare of all of our people is paramount to any one individual. This involves the safety of everybody in this country. I think that is the major consideration.

The employe's right is also important, but it is just like any other right which a citizen has. There must be limitations on it, if we are going to live as an organized society. We must remember that the Constitution places on the President personally the duty and obligation to see that the laws are faithfully executed. Of course, that can be done only through faithful public employes.

Q In the Second Circuit Court of Appeals there was a case decided the other day that a defendant who refused to give information to the Government even after he had been promised immunity was ordered to give that information. Is that a recognition by the court that the interests of the Government in self-protection supersede the right of the individual?

A The Fifth Amendment guarantee against self-incrimination is fulfilled when the Government grants immunity from prosecution, after which a witness must answer all questions put to him. The court's decision you referred to was under the present statute on immunity enacted by Congress.

"FIFTH AMENDMENT" CHANGE—

Q Now, if that case is upheld by the higher court, will it mean that people who have heretofore pleaded the Fifth Amendment will, when offered immunity, be obliged to tell the Government the information they are withholding?

A Yes. That is correct.

Q Is there an inconsistency between those who say, on the one hand, that an individual has the right to plead the Fifth Amendment, not telling you anything and keeping secret all his information, while, on the other hand, they insist that when anyone does inform the Government he must reveal his identity.

A Well, consistency seems to be a virtue alien to many of those who criticize Congress for the new statute which requires a witness to answer after receiving immunity and, on the other hand, criticize the Government because it withholds its confidential sources in an employe-dismissal case. It shows a little fuzzy thinking.

Everybody wants to protect the right against self-incrimination, which is guaranteed by the Fifth Amendment, so that nobody can be sent to jail by being forced to testify against himself. But when he is granted immunity from any prosecution, then he has a clear duty to tell his Government the information that he has which would lead to the arrest and conviction of other people.

Q Hasn't the argument been that the individual didn't know just how he might possibly incriminate himself in an answer, so he preferred not to answer?

(Continued on next page)

. . . Wire tapping used "in national-security cases only"

A That's right. This new statute takes away any such fear.

Q No matter how he might get tangled up in answering a question, he can't be harmed now in telling what he knows?

A That's right. With this immunity, the Federal Government cannot charge him with any crime on the basis of what he disclosed.

Q Getting back to the confidential informant, are such sources used by banks and credit institutions?

A It is at the very basis of their system whereby they protect people's savings.

CONFIDENTIAL CREDIT DATA—

Q In other words, if the credit department of some bank or department store tries to find out whether a person is reliable and worthy of credit, and that question is answered, could the informant be required to be identified to the person whose credit was denied?

A No.

Q Supposing a person whose credit was denied learned that, wouldn't he be able to sue the other person?

A No. The credit institution is doing an honest job. They are protected when they give information to their clients, in good faith, and they do not have to reveal their sources.

Q Do you believe that, if the banks and stores couldn't get confidential information, they couldn't operate this credit system?

A That's right. I might remind you again that newspapers have used confidential informants ever since the invention of the printing press.

Q Do local police departments use the informant system to any extent?

A Yes. It is one of their basic weapons in law enforcement.

Q In attempting to detect subversives and spies, to what extent do you rely on wire tapping?

A To a limited extent in cases involving our national security only. Back in 1940 while we were at peace, President Roosevelt issued an order to his Attorney General, Robert Jackson, authorizing wire tapping in espionage, sabotage and all national-security cases.

Q Was there a law that permitted that?

A No. On the other hand, no law prohibited wire tapping by the Government. What was banned was the divulgence, and President Roosevelt authorized and directed that wire tapping be utilized to protect the national security, and that has been reaffirmed and has been in effect since that time.

Q Wire tapping may be done now under that order?

A Oh, yes, by the FBI and with the approval of the Attorney General.

Q The FBI itself does not have the power to determine whether it shall make a wire tap?

A That is correct. And, even with the approval of the Attorney General, it is used only in cases of national security. That's a very limited number of cases. There are fewer than 150 in operation today by the FBI.

Q From 1940 on, was the use of this wire-tap information in the courts challenged?

A Since 1939 the Department of Justice has not offered wire-tap evidence as such in criminal proceedings.

Q Had wire-tap information been used prior to that time?

A Yes, it had been used, and then in 1939 the courts held that, even though the Government secured information in the course of its law-enforcement activities by using wire tapping, neither that information nor any obtained as a result of that lead could be admitted in evidence in court to convict a person.

Q And that was the rule prior to Roosevelt's order?

A That was the rule laid down by the Supreme Court in the Nardone decisions.

Q So that the use of it today is for security reasons rather than for use in court trials?

A That is correct.

Q Is the primary purpose of the wire tapping in order to detect the possible traitors and not necessarily to use that information in court procedures?

A It is entirely to find out the activities of the Communist conspirators. None of it can be used in court. The information that is secured from wire taps can't even be used as a lead to other information to be presented in court.

Q Is that a handicap to you?

A It is a great handicap in our drive to exterminate the Communist Party and Communist espionage in this country.

Q How far do the States go in using wire-tap information? Do State laws permit it in State cases?

A In some States such evidence is admissible in State courts.

Q There are States that do permit it in court?

A Yes. New York State, for example; there's provision in the State Constitution and statutes which allows wire-tap information to be used in the State courts.

Q In all criminal cases?

A Yes.

Q Of all kinds?

A Yes.

Q So that in the State of New York today you can have your telephone tapped and the information used in a criminal proceeding against you?

A Yes.

WIRE TAP IN KIDNAPING—

Q How important is wire-tap information in running down kidnapers?

A It could mean the difference between life and death of a kidnaped child.

Q And if wire tapping were completely prohibited, would it interfere with the detecting of such criminals as kidnapers?

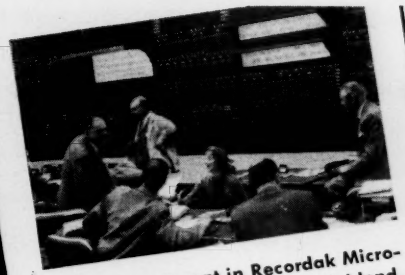
A Oh, yes. I should add that wire tapping was authorized by Attorney General Jackson in kidnaping as well as in national-security cases. Every President since then has approved it, and every Attorney General since then has approved it. Every Attorney General since 1928 actually has advocated use of wire taps both for detection and for prosecution in court.

It has nothing to do with partisanship at all. Attorneys General of both parties have uniformly advocated the enactment of a law which would allow this information about the Communist conspiracy after it has been collected to be used in court.

Q Let's take a specific case. Was the information in the case of Judy Coplon gathered through wire tapping?

A Some leads telling about the proposed meeting with the agent of the Soviet Government were picked up by means of a wire tap. In addition, the FBI learned of her meeting plans independent of the wire tap.

(Continued on page 62)



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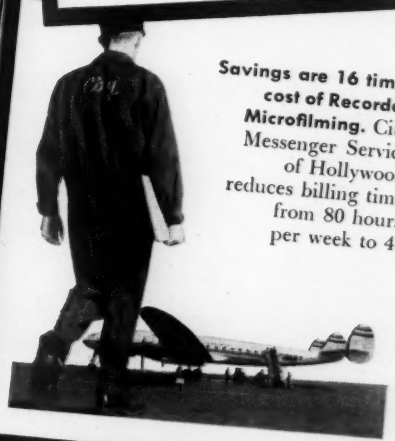

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Q And when you tried to use that in court, the court wouldn't permit it?

A That's right. Her conviction was reversed on technical grounds relating to her arrest. The appeals court said that, even though she was guilty, this wire-tap evidence could not be used to convict her.

Q Did they say they couldn't use it because the law didn't permit it, or was it because the Constitution prohibited it?

A They said it was because the Federal Communications Act prohibited it.

Q Do you have any doubt that the Congress has the right to specify by law that it may be used?

A None whatsoever. They can rectify it tomorrow.

Q If Congress should change the law, would that affect any previous cases that you were unable to prosecute?

A They could do it either way. They could authorize the use of the information that we now have in our files, or they could make it prospective in its operation.

AID TO ESPIONAGE—

Q Are there many people who have escaped punishment because you haven't had this power?

A I don't know how many, because I've only been in the Department of Justice two years, but I do know there have been cases of the most serious nature regarding the safety of our country where the people have escaped punishment because of this law.

Q And that was due to the fact that you couldn't make the case stand up in court?

A That is correct.

Q These were not simply Government employes that you could dismiss?

A No. I was speaking of serious espionage prosecutions.

Q Were they persons who were dangerous to our safety, but operating outside the Government?

A That's right, dealing with the enemy of our country.

Q And you were unable to prosecute them for their activities?

A That's correct, because of this loophole in the law.

Q You weren't able to get evidence other ways?

A That's right. The whole communication system of our country is open to the enemies of our country to use with complete immunity. They know that they can talk over the telephone about their activities undermining this Government, and yet none of the evidence so obtained can be used to convict them.

Q You are still using the wire tap to get leads now. Are there very many wire-tap cases going on at any one time?

A I think there are less than 150 now by the FBI. Of course, armed services' intelligence agencies are also free to use wire taps for national security.

I would like to add that we are not advocating the use of wire tapping in private transactions, or even in law enforcement generally. I think the tapping of wires in marital cases, snoopers, and things of that sort, is as dirty a business as you can get. I think the law which we advocate to allow us to use this as testimony in court in national-security cases should also make it a crime for the use of snooping with wire tapping to spy on the activities of your neighbors.

Q Suppose wire tapping gave you information of a plot to blow up the city of Washington and kill the President: You could move in to prevent the conspiracy, but you couldn't convict the conspirators—they would go scot-free?

A That's right. It sounds ridiculous, I know, but that is the situation as of today.

Q And they'd be free to try it another time—

A No doubt about it.

Q So that the purpose to protect the Government of the United States is hampered by the fact that Congress does not authorize by law the use of wire-tapping information in court proceedings—

A In the national-security cases, that's correct.

Q During World War I and in other situations, did the Government use this system of wire tapping?

A I'm really familiar with it only back to 1940, when the present system was established. I know that in all times since then it has been used in national-security cases.

Q There has been a lot of discussion recently about the need for revision of the procedures of the security program in the Government. Is there any material difference between the procedures that were adopted and practiced under the Truman Administration and those under this Administration?

A Both systems are fundamentally similar.

Q Did the Truman Administration operate on the theory that the Government had a right to hire and fire without confronting the employe with witnesses?

A Oh, yes. That was approved by President Roosevelt and President Truman, by their Attorneys General, and upheld by the Supreme Court. Even before that the Civil Service laws expressly excluded the right to a hearing and confrontation of witnesses.

Q So that this agitation to identify the informants is nothing new since this Administration came into power?

A That's right. Every once in a while there's a drive to change it. It has nothing to do with partisan politics. There are certain groups that have put on this drive time after time. It's very active at the present time, but it's not the first time the question has been raised.

MANY CASES, FEW KICKS—

Q Do you think it would help any to have a national commission of private citizens, members of Congress, and executives and officials appointed to study this security program?

A Such a commission would serve no useful purpose for the reason that this program is operating very successfully. It's interesting to note no claim is made that it doesn't protect the national security. Out of the thousands of cases that have been received only a handful have been criticized.

Q Are there any safeguards that can be put in against arbitrary misuse of power by executive department heads?

A Yes, we recently recommended several improvements in the program. It's important to see that the hearing officers and the security officers who participate are well trained and understand how to evaluate information. The President has directed that a security officer not be allowed to suspend a man without having the record first reviewed by a department official of assistant-secretary rank, appointed by the President and confirmed by the Senate.

We believe there should be a lawyer present at all the

(Continued on page 64)

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hearings to advise the hearing board and also a lawyer to advise the employe as to his rights if the employe so desires.

Remember that we've never had to face a clandestine, international conspiracy which is trying to destroy our Government by infiltration as well as by force and violence. We have to devise new methods to meet this new threat.

Q What is your attitude toward the argument that is made that it is better that 10 loyalty risks stay in the Government than that one innocent man be dismissed?

A That's a very misleading statement to make. One bad security risk can cause untold damage--as history has shown. It is like saying that freedom of speech is so important that it's better to let a man shout "Fire!" in a theater, causing a panic, than it is to have any restraint on our right of free speech. Any such fanatical attitude as that, of course, would make it impossible to maintain an organized society.

There are limitations on all of our basic constitutional rights, which must be acknowledged in order to protect all of our people.

CHANCE FOR INJUSTICE—

Q Are there occasionally some errors made and some injustices under the present system?

A That possibility always exists, and that imposes a very heavy responsibility on the officials of the Government to see to it that, if any injustice is found, a prompt remedy is provided. I might add that we have seen several such cases and they were publicly rectified.

Q I mean that when there are injustices committed, and people are reinstated, who do you think gets the burden of the blame: the individual who was wrongfully accused or the Government that made the mistake?

A Well, it should be the Government.

Q Don't you think that the criticism that has followed has been rather considerable when mistakes have been made?

A Yes, there is no question about it. And it should be.

Q Isn't the Government in an awkward position when a man goes out and claims that he has been wrongfully dismissed from the Government and argues his case in public, and the Government doesn't really come out and answer the charges because it withholds from the public any rebuttal for fear it might injure the man?

A That is a correct statement. And I think that is what has led some well-meaning people to get a rather prejudiced viewpoint on the security program, because in the 99.5 per cent of these cases where the employe has been dismissed, there is no publicity at all.

Q Well, in the case of a man who may have been dismissed and it has become public, through his side or otherwise, that he was dismissed, and the reasons given by the Government are very general, does the Government lean over backward not to give out any more information than is necessary of a derogatory nature?

A Yes. As a matter of fact we give no information in any security case.

Q Does the public then often fail to get the full story of what actually was involved?

A That is correct.

Q Then some man who says he has been fired because of his views could make that argument repeatedly to the public and the Government will not question his statements because it doesn't want to get into an argument about his case in public?

A Yes, that's right.

Q Are there requirements that you must keep secret the security proceedings?

A That is the rule of the past and the present Administrations, by presidential order. And the purpose of the presidential order is a solemn one—the information is confidential and some of it if revealed would be damaging to the national security as well as to the individual.

Q What do you think of the system which they say the British use on a man who has been found in some ambiguous position—yet it is not wholly clear that he is a security risk—transferring him to a nonsensitive post?

A That has been done in certain instances, but it has many dangers. We have to guard against recurrence of one of the mistakes that was made under the old loyalty program, which was that a person would take a nonsensitive job, and then later be transferred into a sensitive job without any second examination.

Q Without any checkup?

A Yes. One of the most serious breaches of security we had in 1940 resulted just from that situation.

Q Was that situation of that particular individual made public?

A No.

Q Do you think that if there were requirements that people who were in nonsensitive positions didn't have to be cleared, it would be a danger to this country?

A Yes. Under the present system the check which is made of persons in nonsensitive positions is much less comprehensive than the investigation for those who hold sensitive positions.

Q Would a man who is in a nonsensitive position be able to get a sensitive position and do a great deal of harm if he were not detected?

A You would have to know what the particular situation was. Sometimes a job is called nonsensitive, like a file clerk, phone operator, a janitor or a similar job, but it turns out in that position they may inadvertently have access to most important secrets.

WHY ALL ARE SCRUTINIZED—

Q Mostly, they're able to get inside the Government and use Government stationery and recommend their friends for posts, and use telephones—inside the Government?

A Yes, that's one of the reasons that some check is necessary and advisable on every employe. In fact, in a case before the federal court last fall, it was contended that the security program should be confined only to persons holding sensitive jobs.

In his decision upholding the security program, the federal court judge stated that those advancing such a contention "seemed to be laboring under the notion, which the courts deem fallacious, that a disloyal employe constitutes a danger only if he holds what is denominated as a sensitive position; namely, a position in which he has access to secret information or secret documents."

Q Are there many cases in which employes are transferred from nonsensitive to sensitive positions?

A Yes. That happens often, and we should be in a posi-

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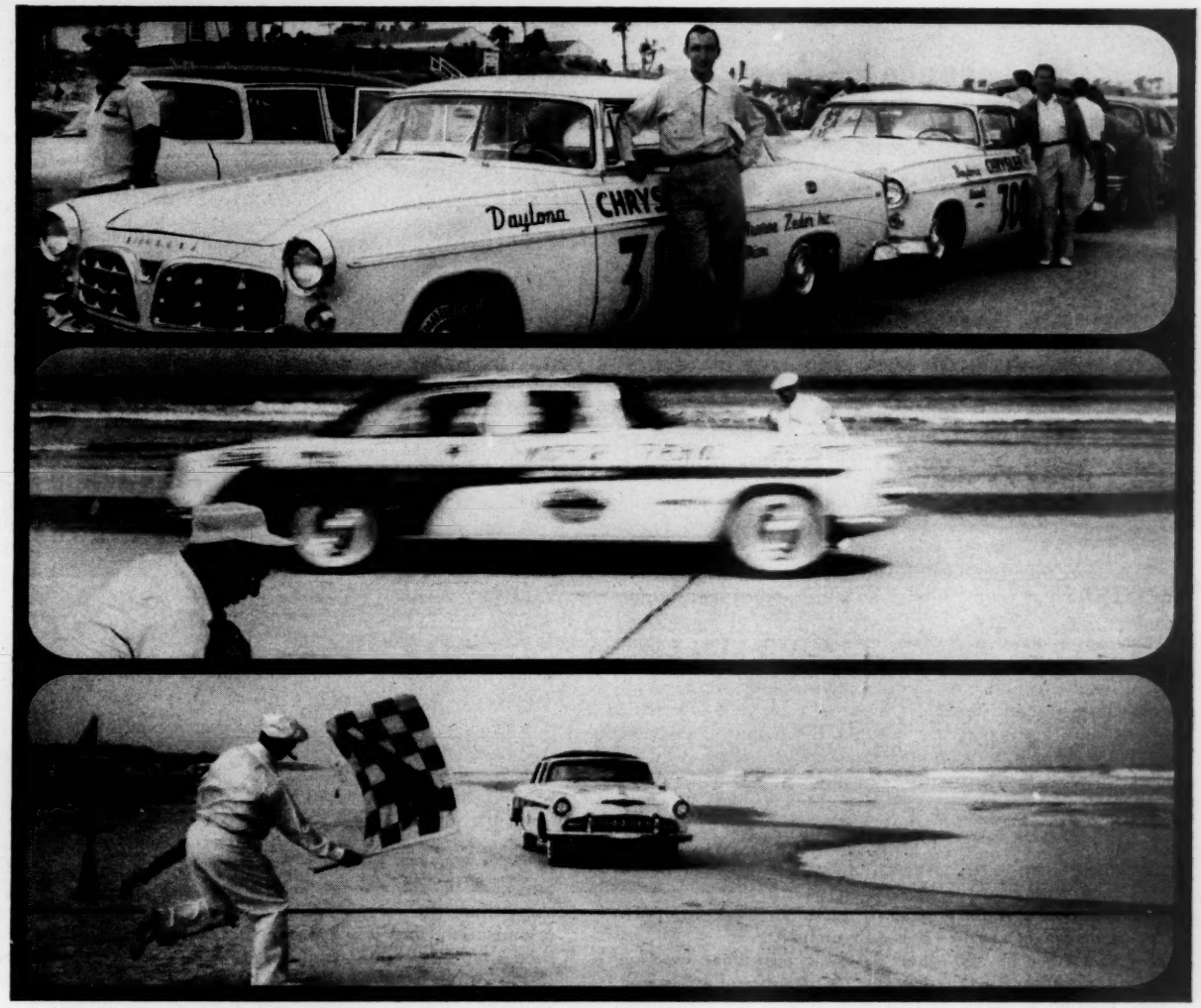

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tion to make such changes in the interests of efficiency without being fearful of the consequences. I might add that the Government has a very real and even selfish interest in giving the employes the fullest protection in these security procedures. Good employes are hard to get and expensive to train. We have a real stake in keeping every competent person who is reliable and trustworthy.

Q What is your feeling about these various organizations known as subversive organizations on what is called "the Attorney General's list"? When did that system start—under what Administration?

A The first subversive list was issued by Attorney General Biddle in the Roosevelt Administration.

Q Does the Attorney General proclaim a list and thereafter an individual is warned that that is a suspect organization?

A The Attorney General issues the list in order to put Government agencies, employes and future applicants for Government positions on notice. The Attorney General has the benefit of investigations by the FBI, congressional committees and other public bodies in designating organizations as subversive.

That list is handed to the head of each governmental agency so that when the employe is being examined the agency head can find out whether the employe was a member of those organizations. If he was, it's a red flag, it's a warning sign, and gives the head of the agency something to go on so that he can examine the employe to find out more about the nature and extent of his contact with that organization.

Q It's not necessarily conclusive?

A Oh, not at all. I want to emphasize that it is only one factor to be taken into consideration in deciding whether or not a person is a security risk.

Q Does the organization itself have an opportunity to prove or disprove whether it is subversive?

A Yes. Two years ago when we came into office we gave every organization on that list an opportunity for a hearing, if they wanted to show us that they should not have been listed. Very few of the organizations took advantage of that. I think that's quite significant. At the same time we provided that no organization could be added to the list without an opportunity for a hearing.

STRATEGY OF "FRONTS"—

Q Why should you continue on the list of subversive organizations any that are now defunct?

A The answer is simple. The loyalty and security of any employe must be based on the man's acts and deeds. If, for example, a potential employe contributed to some current "front" group, that could be an innocent matter of no great significance and not disqualify him from a security clearance. But if we check back and find the man was a member of a dozen now-defunct front groups, then that is an entirely different matter.

The German-American Bund is now defunct, but I don't want to repose a trust in one of its former members who has since joined the Ku Klux Klan or related groups.

It is a well-known Communist technique to create a front group and then let it become defunct as soon as it has been exposed while the same old crowd continue their activity under another name and another front. It is only fair and proper that the agency should be put on guard, and present and future employes of the Government should be put on notice so that in exercising their right to join causes they will also be fully aware of the pitfalls.

The fact that only three of the 192 organizations listed originally have exercised their right to ask for an administrative hearing is significant. Could it be that the others found it more convenient to quietly go out of existence and seek to accomplish their ends under another "cloak"? The essence of Communist tactics is deceit and the Communists by their record prove their ability as masters of deception. To say that a onetime front organization now defunct should be forever removed from any future consideration of the security of present or future Government employes is the height of naïveté.

Q And was a board set up to try those cases to determine whether they were subversive?

A No, that had nothing to do with the Subversive Activities Control Board, which deals only with Russian Communist groups. The Attorney General's list has broader scope. It covers Fascist, totalitarian, subversive and Communist organizations and their front groups.

LABELING A RED GROUP—

Q What does that board do?

A That's a different phase of our Government security program—one set up by Congress restricted to Communist groups. Under that program, whenever the Attorney General believes that an organization is a Communist-front organization, after he has investigated and found it is, he brings a regular legal proceeding before the Subversive Activities Control Board, which is a semijudicial body. And the Department of Justice then presents all the evidence it has to show that this organization is in fact a Communist-front organization, and if we prove that, and the Board so finds, then that Communist-front organization must register with the Attorney General, disclose its officers, disclose the source of all its funds and disclose how it spends its money. It loses tax-exempt status, for example.

Every citizen can then be warned that this organization, no matter how high-sounding its title, is in fact being operated as a front of the Communist Party in this country.

One of the greatest and most needless swindles of all time is found in the way the Nazis and Fascists robbed peoples of their liberty. Hitler advertised to the world what he would do but was dismissed as a "crazy paper hanger." The Communists for a hundred years have been openly telling the world of their ultimate objectives, and for too long they, too, were not taken seriously.

There is not a home in the land which has not been adversely affected by the world-wide advance of Communism. It is only natural for all of us as citizens to complain of taxes; yet, were it not for the fact that the world-wide menace of Communism has forced us to build up our defenses, our national debt could very well be wiped out in a reasonably short period of time.

Last year, half of the cost of Government went to national defense. The Communist menace alone is responsible for the build-up of our armed services with the resultant disruption of homes and careers. While meeting this menace on a world-wide basis, it would be the height of folly to disregard the threat of Communism at home.

WHERE DO YOU GO FROM HERE ?

Wherever you drive these days—in town or country—you find traffic-choked streets and highways. This congestion makes travel a nightmare and adds to the cost of the things you eat, wear or use. The reason for this muddle isn't hard to find.

Most of the present highway system was built by 1930, when there were 26½ million motor vehicles. Now there are 58 million. Estimates for 1975 reach 80 million.

This tremendous increase in traffic density, accompanied by growing vehicle weights and speeds, breeds accidents—in recent years an average of 38,000 deaths and 1,300,000 injuries annually.

The first step toward making highways safer is rebuilding and improving the main network of roads—those carrying the most and heaviest vehicles—to the requirements of today's and tomorrow's traffic. That is the goal of the highway construction program planned for the next 10 years.

The second step toward making highways safer is paving all main roads with the safest pavement. That means paving with concrete, the acknowledged safety pavement.

You *know* you can stop faster on concrete than on other pavements. That's because concrete's gritty surface provides better traction and skid resistance. At night you *know* you can see better on concrete. That's because its light color reflects up to four times more light than dark pavement.

Making concrete pavement even better and safer is a continuing job of Portland Cement Association engineers and scientists, working in the laboratory and in the field with highway engineers and interested agencies.

From this work has come today's smoother-riding, longer-lasting, safer concrete pavement. The result is *increased comfort* and *decreased annual cost* to highway users, who pay for roads and streets with their gas taxes, license fees and tolls.

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THE MAN ... General Franco **THE NEWS** ... Spain Perks Up

An American Ally Who Has Licked the Communists

The U. S. is finding a new ally in Generalissimo Franco, a man who has proved his readiness to fight Communism. For Spain it means U. S. dollars, new and brighter economic prospects.

—Black Star

THE SPAIN of Generalissimo Francisco Franco is becoming an important and increasingly strong American ally. Millions of U. S. dollars are pouring into the country. Millions more are to follow. After years of feudalism and poverty, Spain is beginning to perk up economically, look forward to a better future.

All this comes about as the result of a hard-driven bargain. Franco has something of value to sell. His commodity is geography—the best defensive position in Europe, air-base sites less than six hours from Moscow, harbors from which to dominate the Western Mediterranean.

The U. S. needs these advantages and now is buying them. The purchase is a matter of cold military calculation. It reverses the official American attitude of a few years ago, under which this country sought to isolate Franco's Spain as a fascist dictatorship once friendly with Hitler and Mussolini.

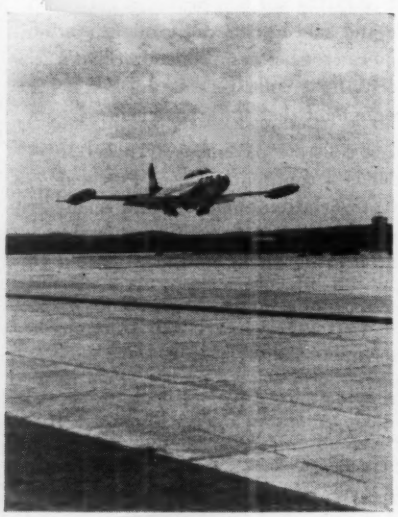
Due to this record the Generalissimo was relegated to the international doghouse for years. Spain at one time was specifically barred from membership in the United Nations. She is not a part of the North Atlantic Treaty Organization. Although badly in need of outside help, Spain received only 78 million dollars of the 25.6 billion dollars in economic aid the U. S. sent to Western European nations from the end of World War II to December, 1954.

But now, "cold war" circumstances, possibilities of trouble with Russia are dictating a change. Franco is moving more and more into the U. S. orbit and Spain is emerging as a nation with new possibilities. The Generalissimo is looking to the U. S. for many things, including capital to develop the country's natural resources and raise what is considered a very low standard of living.

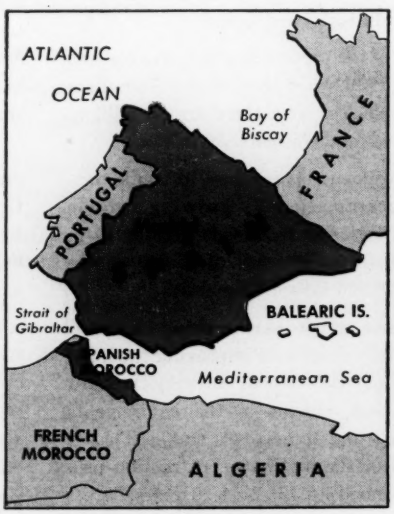
Foe of Communists. In Generalissimo Franco, the U. S. gets an ally who, unlike most of America's friends, has fought and beaten Communism. He made the right bets in World War II, stayed out. Hitler and Mussolini are gone; Generalissimo Franco remains a man with an implacable hatred for Communism, and one still ready to fight it.

For this reason, U. S. military men generally are confident that, if Russia should strike, there would be no haggling over the use of American bases in Spain as there might be in other places, such as

(Continued on page 70)



JET FOR SPAIN . . .

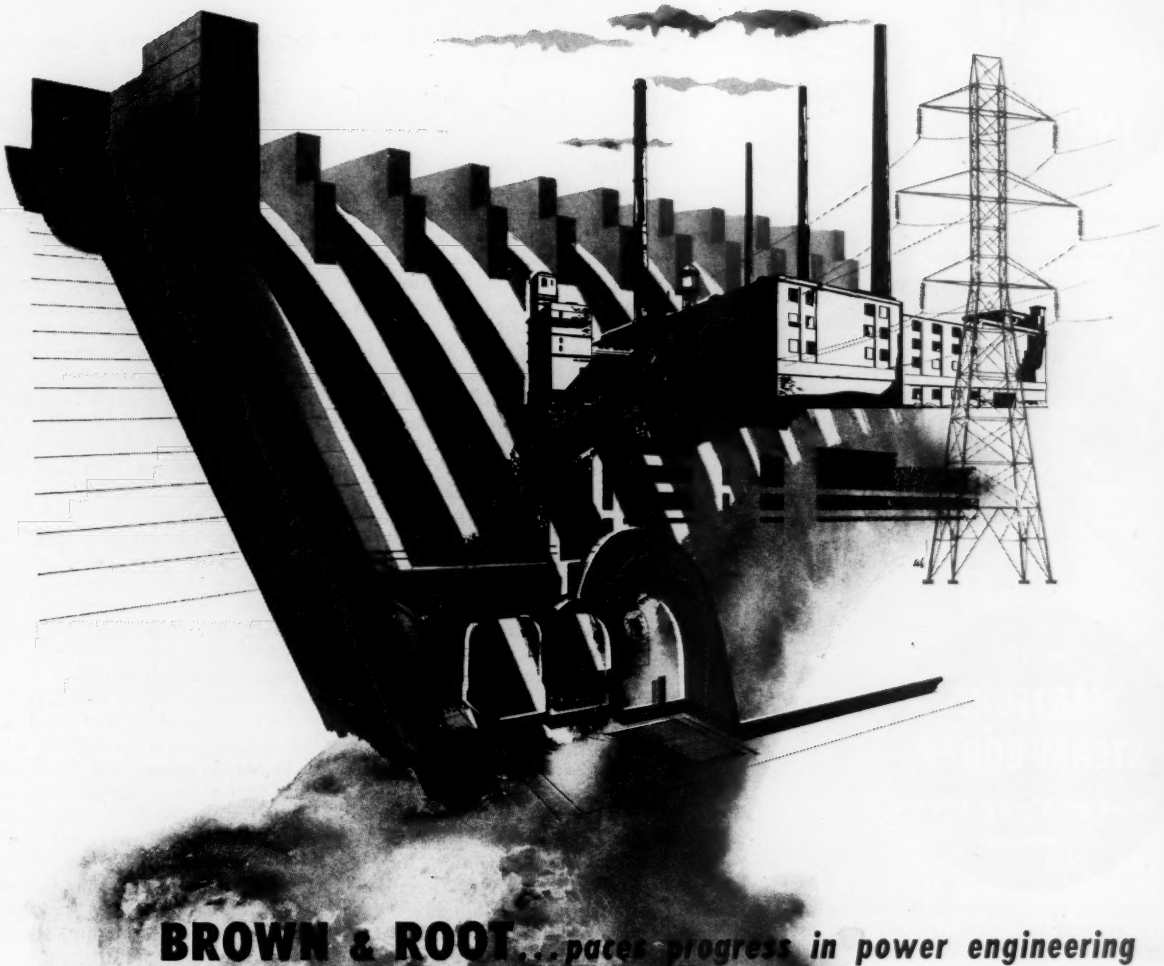


. . . A STRATEGIC LOCATION . . .

—Dept. of Defense, Black Star

. . . GI IN SPAIN

Franco's big asset: the best defensive position in Europe



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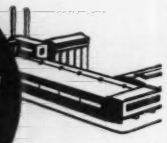
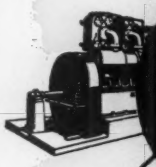
AMERICAN INDUSTRY



recognizes the vital importance of power equipment in plant operation, and therefore it



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. . . Tourists and loans are giving Spain a lift

North Africa. A war against Communism would, it is felt, unite the U. S. and the Generalissimo.

At 62, Franco is the one-man ruler of Spain, and has been for 16 years. Pudgy, aloof, and ascetic, he governs from the fastnesses of a baronial, walled estate, makes few public appearances, sees few people, spends hours at his devotions in a private chapel. When he leaves his castle he is heavily guarded.

El Caudillo, meaning "the Chief," as the Spanish call him, works through a Cabinet but makes all the decisions himself, firing or appointing ministers at will. His power is not challenged. It rests upon control of the Army, which, in turn, controls the secret police. Franco does not need American aid to consolidate his power. That already is absolute. In a pinch, the expectation is, Spain will do what Franco says.

The Generalissimo grew up in comfortable circumstances, entered the Army, made a nuisance of himself to the Spanish Republicans by his rightist ideas and was shipped off to the Canary Islands as military governor.

Million slain. When the civil war erupted, he flew back to Spain by way of North Africa, quickly took command of the insurgent armies. With the help of Germany and Italy, while Russia aided his foes, Franco won a long, bloody and devastating civil conflict. More than 1 million Spaniards were killed.

Some adroit tightrope walking followed. Hitler and Mussolini expected to collect for their civil-war support when World War II began. But Franco decided Spain would be neutral, though friendly to Italy and Germany. The decision was popular with the war-weary Spanish people.

After the war, Franco found Spain excluded until very recently from the billions of dollars in economic assistance that was flowing to Western Europe. When he wanted loans, forbiddingly stiff terms were set. The West was at no pains to conceal its dislike for Franco's kind of Government.

But, always patient, the Generalissimo could see events forcing the U. S. to come to him for his bases and ports. It turned out that his price was high, and it took 27 months to come to terms, but a bargain finally was struck that is only the beginning of Spanish hopes for economic betterment.

Bases and ports. A military-construction program costing 700 million dollars was agreed upon. It included four big jet-bomber bases, a 485-mile pipeline to carry fuel from the seaboard to those bases, a major naval base and anchorage on the Mediterranean coast and in the Balearic Islands. The program is beginning to move.

A total of 115 million dollars was allocated for the first two years' work. In addition, Spanish plants are producing 10.8 million dollars' worth of munitions under the offshore procurement program. U. S. military assistance is strengthening the Spanish armed services.

U. S. military men and civilian workers have flocked into the country with their big payrolls. This means new housing for them and their families, schools for their children.

Much of the construction work is sublet to Spanish firms. Jobs have been made for thousands of Spaniards. Badly deteriorated railways and road networks are being modernized. Spanish landowners apparently were glad to provide the 50-foot right of way for the pipeline at prices fixed by negotiation.

And the military program leads to other things.

Spain simultaneously is becoming a tourist mecca. Some 200,000 Americans visited the country last year and 250,000 are expected in 1955.

Wanted: loans. All this means much to a nation accustomed to poverty. But what Franco really wants is big, long-term loans. Spain has had one advance of 25 million dollars from private American banks and 62.5 million from the Export-Import Bank. All payments have been met on the dot and the budget is balanced.

Spanish officials talk of loans totaling some 550 million dollars, spread over 10 years and fed carefully into an integrated economic plan. Spain needs machinery of many kinds, railway and other transportation equipment. Franco also wants to develop natural resources, increase the supply of exportable materials, ease the country's precarious trade-balance situation.

There are plans for developing the nation's mines. There is an abundance of water power to be harnessed and a promising hunt for oil is on. Several strikes have been reported. An independent local oil supply would reduce import requirements and further help the trade situation.

In all, Franco and Spain see a highly encouraging prospect for this nation, hitherto economically backward. Economists in other countries agree. *El Caudillo* has made an asset of the cold war, is turning it to good account. And U. S. officials, with the military bases in sight and a new ally who has proved himself ready to fight Communists, are glad to have it so.

Camera fans, particularly, delight in the rainbow-tinted formations of Bryce Canyon National Park.

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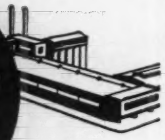

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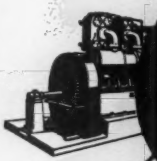

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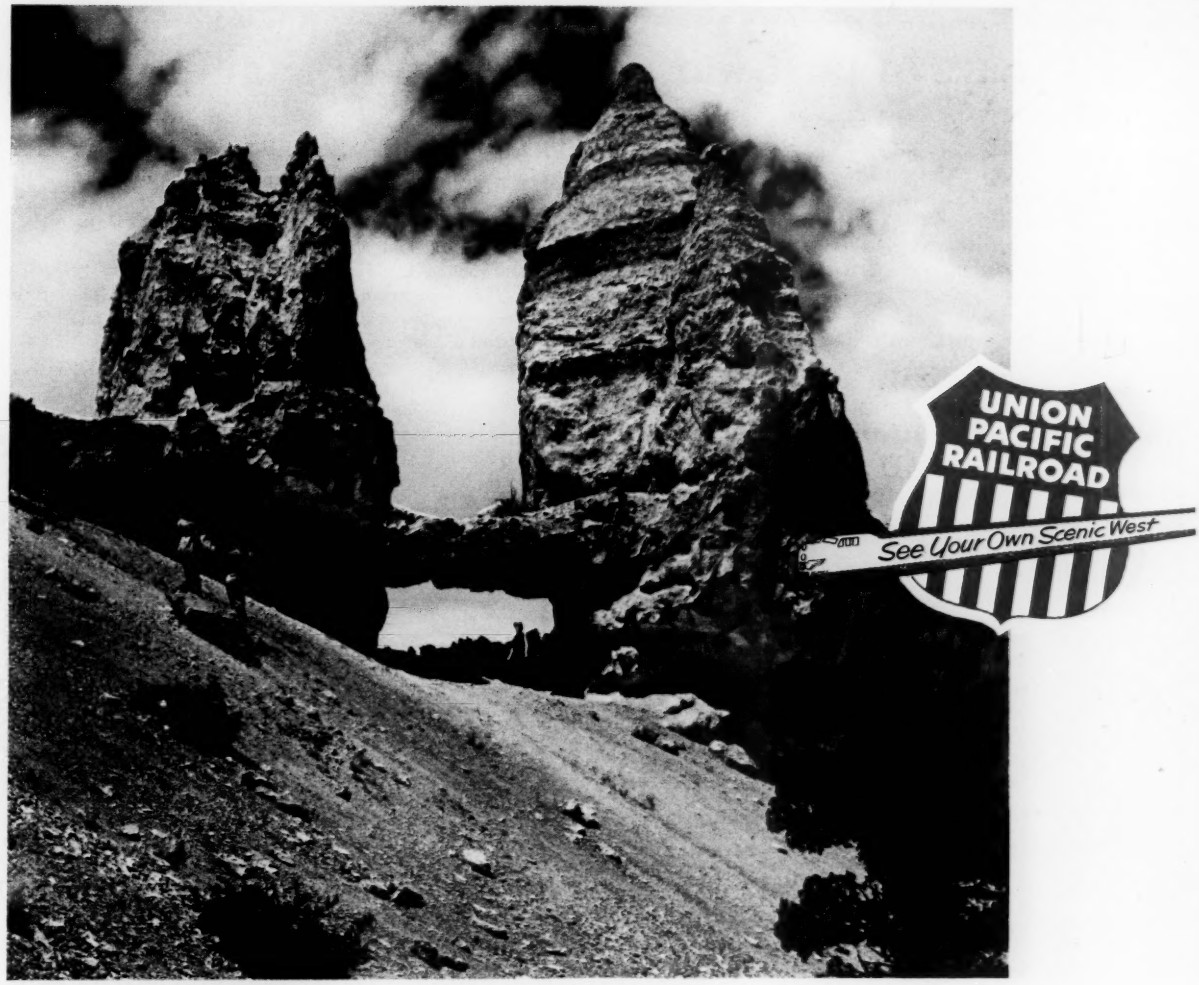

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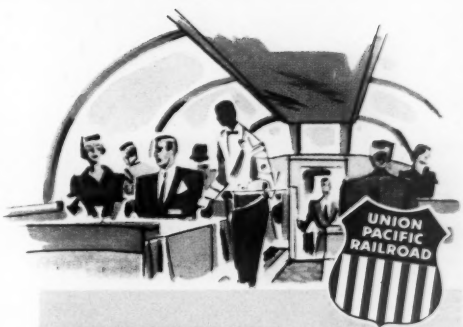

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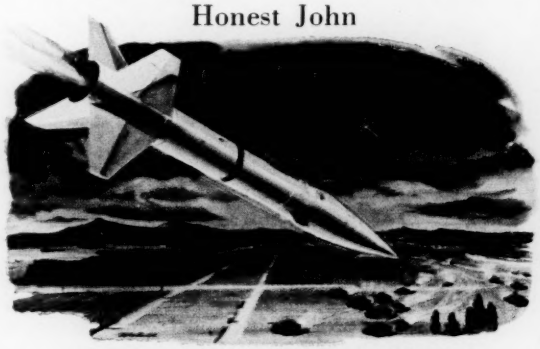
A4D Skyhawk

Can take off from small carrier with A-bomb

Honest John



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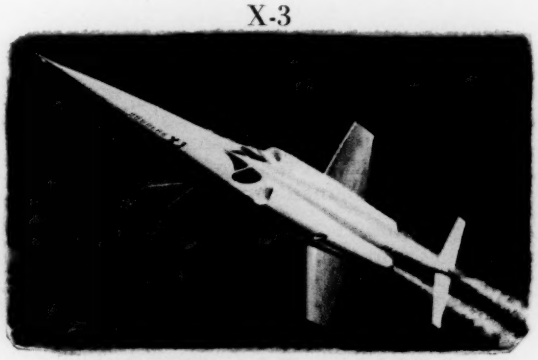

Jet research plane, performance classified

A D Skyraiders

Called world's most versatile aircraft

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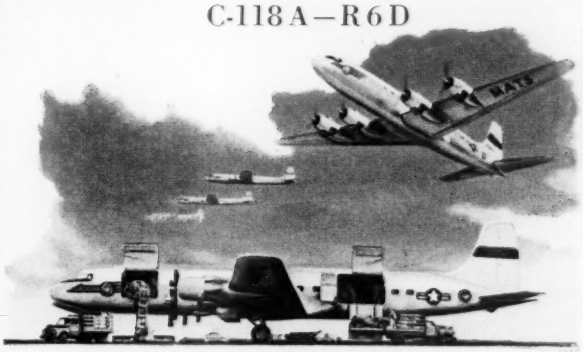

Air Force and Navy versions of the DC-6A

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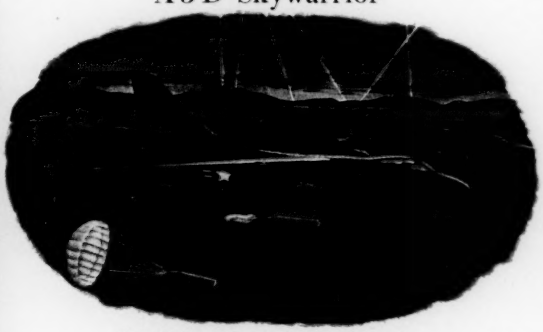
Supersonic anti-aircraft missile already in service

D 558-2 Skyrocket

First plane to fly double speed of sound

A3D Skywarrior



Navy's largest carrier-based bomber

RB-66

Versatile Air Force reconnaissance bomber

F3D Skyknight

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Depend on

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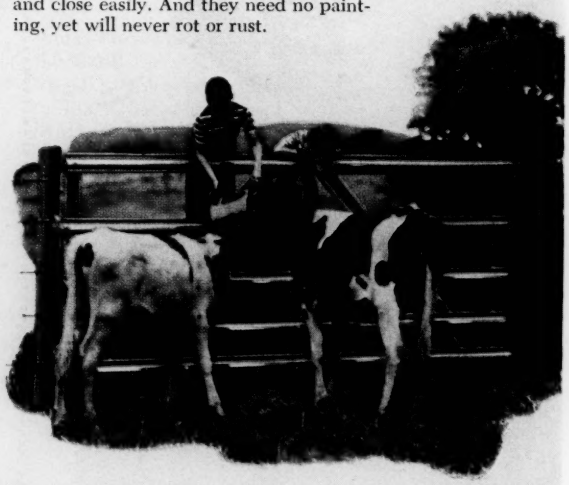
It takes aluminum to make this bathroom a delight to see, a cinch to clean. Aluminum tiles are a very new idea, come in smart colors or natural finish. Shower enclosure glides in aluminum tracks.

It takes aluminum. You'll see these light, strong aluminum gates on farms in every State. They won't warp or sag; open and close easily. And they need no painting, yet will never rot or rust.



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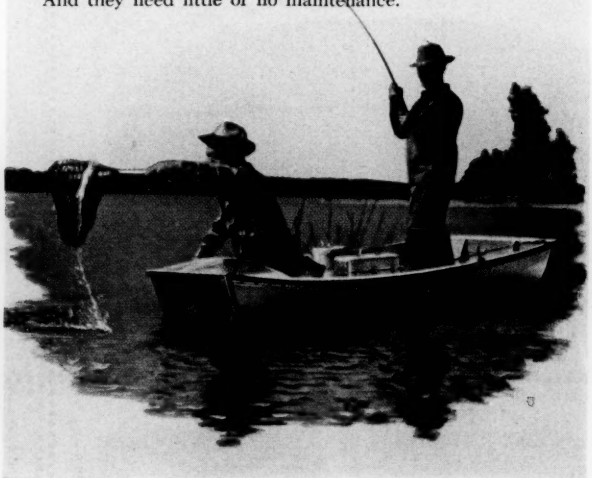

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10 Years After World War:

HOW AMERICAN YOUTHS AND DOLLARS ARE DEFENDING EUROPE

Gen. McAuliffe Reveals U. S. at War Strength—Germans Not Started

U. S., with 165 million people, is still providing the major part of the military defense for 275 million West Europeans.

An American Army of more than five divisions stands guard along the Iron Curtain in West Germany, would bear the brunt of the attack if the Soviets invaded.

The Commander of that Army, Gen. Anthony C. McAuliffe, tells here how strong it is, how it would fight the Russians.

General McAuliffe, who once said "nuts" to the Germans when asked to surrender, also describes how U. S. will help to equip and train the new West German Army.

BONN, Germany

Following is full text of an address by Gen. Anthony C. McAuliffe to the Foreign Press Association here on April 12, 1955:

I join you today on the eve of a period of transition during which the Allied forces will pass from their occupation status to become guests of the German Federal Republic. The effects of this change upon our operating and living conditions are difficult to predict, as they are dependent upon a large series of negotiations. However, we do know that German financial support will be greatly reduced. We can foresee the necessity to share with the German Army certain existing firing ranges and maneuver areas.

We shall certainly lose to the German Army some of the skilled German employes who are contributing so materially to the support of our operations. In daily living for Americans there will be a curtailment of custodial services, ground maintenance, the procurement of table linens, dishes, glassware, etc., for residences, alterations or minor construction, rail and bus transportation, pickup and delivery service for laundry, milk and bread.

These few examples are indication enough that for the common good in future our training and logistic operations will be somewhat restricted, and our living conditions will become, as some would say, "more austere"; as I should say, "less plush."

In any case, we are headed for a most interesting couple of years here in Germany. I for one consider myself fortunate to be here in this key spot at this critical period in the world's history, to be able to witness at close quarters the development of policies of great historical significance and to be able to meet, talk with, and occasionally even influence, in a small way, men who will make decisions which may affect the security and welfare of ourselves and our children.

—United Press

GENERAL McAULIFFE

In the United States Army, Europe, there have been over the past few years a number of changes and developments, some of them major. There are more and major changes in the wind, some of which I shall discuss here. The sum of these changes and developments adds up to a rather remarkable total of progress.

To illustrate some of the developments and changes, I should like to draw broadly a contrast between American ground forces of 1950 and our present-day Army in Europe. In so doing it is not my intention to do any saber-rattling of the type our Senator Kefauver [(Dem.), of Tennessee] deplored last week. Rather, I just want to rattle a few facts so that they are better understood.

In 1950 the United States Army, Europe, had one brigade of constabulary strung out along the border and one infantry division. They had but a single tactical concept—pull back to the west bank of the Rhine and hold as long as possible. There was little prospect then of immediate reinforcement.

Today the United States Seventh Army includes 4 infantry and 1 armored divisions, 3 cavalry regiments, an armored group which includes 3 medium-tank battalions, an AAA [antiaircraft artillery] brigade and many reinforcing artillery battalions of various types—and all these at full combat strength.

With the increased strength came a desire for change to a bolder tactical concept. My predecessor and fine friend, General [William M.] Hoge, speaking of the proposed rapid withdrawal to the Rhine, said "You can't ask a soldier to fight when he's looking over his shoulder with one eye and at his watch with the

. . . "We now propose to fight for every inch of ground"

other." Plans for a rapid retreat to the Rhine were distasteful to him, as they certainly are to me.

We now propose to fight for every inch of the ground we hold. In 1950 we had neither the numbers nor the weapons to do anything else. Today the situation is different.

I do not suggest that we can with present forces defend Western Germany against all-out attack. I do suggest that we no longer propose to double-time back to the Rhine River, and I can guarantee that we are now able to make an act of aggression against Western Germany a very costly venture.

Training: Tougher Than Korea

I know the Seventh Army intimately, and I share General Hoge's high opinion of its combat readiness. These troops spend more than half their time away from their casernes in strenuous day-and-night field exercises in all kinds of weather. Training culminates annually in tests for each infantry, tank and artillery battalion. On a recent visit to Hohenfels, one of our large training areas, I watched an infantry battalion on the final day of its annual test. The test covers four days and nights and includes attack, defense, delaying action, plus a lot of marching. I asked one sergeant, a Korean veteran, how this experience compared with the rugged combat in Korea. He replied that Korea was a cakewalk by comparison.

But I don't ask that you accept my word. Our training areas are not too far from Bonn, so I suggest that you have a look for yourselves and draw your own conclusions.

Much of our increased confidence in our combat capabilities stems from the important technological developments of the past few years. With the first threat of Soviet military aggression, our Defense Department concluded that we were forced to overcome our numerical inferiority by a marked superiority in weapons, airplanes, transportation and communications.

We felt that victory in modern war, or rather avoidance of defeat, since it appears impossible that any nation could consider itself victorious in the kind of war one envisions today—anyway, we felt that successful defense had to be preceded by success in the laboratory and proving ground. Consequently my Government has poured millions and millions of dollars and has employed the finest scientists and engineers in a mammoth military research and development program.

The products of this policy are real, they have come to Europe and they have had the effect of immeasurably strengthening our military posture. How much they have increased our strength is immediately clear to anyone familiar with the military characteristics of the 280-mm. gun, the Honest John and Corporal missiles, the Skysweeper antiaircraft weapon, and the H-13 and H-19 helicopters.

Since my arrival here in October, 1953, a major concern of the Seventh Army has been to test in our field exercises these new weapons and to revise our organization and tactics in a manner designed to best exploit them. This has applied particularly to the ground-delivered atomic weapon. With our knowledge of its effects and the probable error in ranges and deflection, we have been able, through the medium of our tactical exercises, to perfect our techniques in preparation, delivery and transmission of orders and firing data without, of course, firing a round.

I have a tremendous respect for our modern weapons. Indeed, I doubt if there is any commander who has had the opportunity I have had over the past year and one half to work so intimately with these weapons. It has been my role to test them under tactical conditions—observe their firing, inspect their river crossings. We now know the technique and tactical doctrine of these weapons as does no other army in the world today. They are great weapons. To give you an example: One of them, the 280-mm. cannon, firing from 18,000 yards, can place a shell in an area the size of a city lot in any kind of weather—day or night.

Among our findings at Seventh Army was the conclusion that the tactical atomic weapon itself will not be decisive but that we shall need great mobility to exploit its effects immediately in both attack and defense. Airborne troops and armor appear best adapted to this purpose. You have probably noted that under our "Operation Gyroscope," a trick name for replacement of personnel of a unit rather than an individual basis, we shall exchange two of our existing infantry divisions for the Eleventh Airborne and the Third Armored Division respectively. Thus, instead of 1 armored and 4 infantry divisions, we shall have 1 airborne, 2 armored and 2 infantry divisions. Here we have a formidable force with power and mobility capable of punishing severely any aggression.

I have confined my comments to the American Army because it is the only one I know thoroughly. But while we have grown strong, we have not grown strong alone. We have shared that growth with our faithful allies, and it is the over-all improvement in ground and air that has caused General Gruenther [Commander of North Atlantic Treaty Organization forces in Europe] to estimate that our forces numerically are from three to four times as strong as when General Eisenhower arrived in Europe four years ago.

I'm sure the objective of the free world remains to prevent war by supporting only so much military strength as is required to discourage a would-be aggressor from challenging it. I believe we shall have certainly attained that goal when we are able to add to our present strength 12 trained German divisions.

U. S. Help for German Army

As for the creation of a new German Army under NATO, I believe we can expect that the United States Army, Europe, will assist, at least initially, say for a year or so, in its training. My experience is that the Germans are splendid soldiers, and I am glad they are on our side this time. It would be presumptuous on our part to think we should train them. They are pretty good at this business themselves, as the record will clearly show.

As soon as Germany regains her sovereignty, and other technicalities permit the commencement of the American Military-Assistance program, United States Army, Europe, will be able to carry out its part of the program, in accordance with German desires, by doing the following:

1 Provide required military-instructor personnel, particularly technical;

2 Furnish logistic support for military equipment scheduled for delivery under MDAP [Mutual Defense Assistance Program];

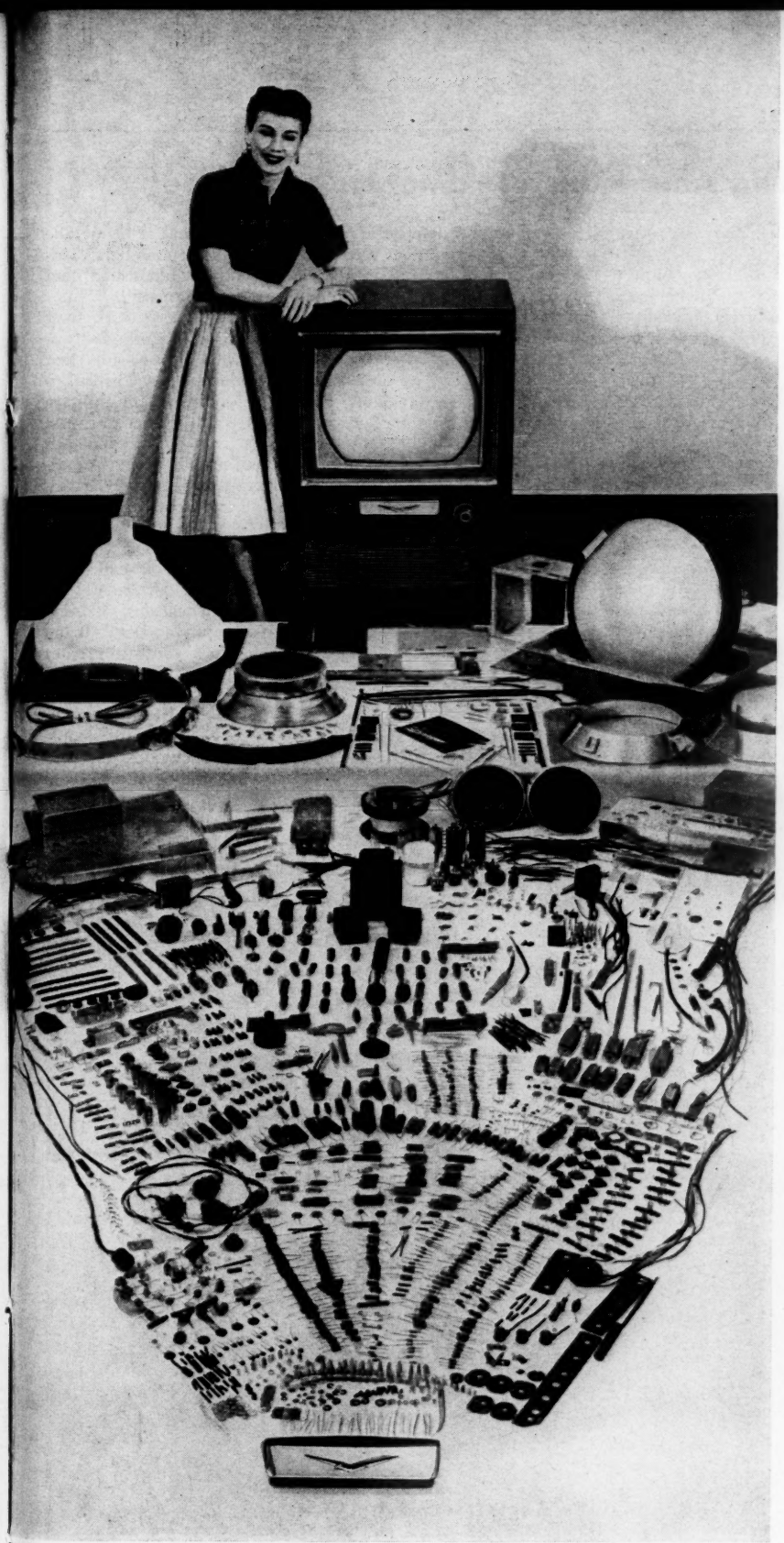
3 Provide school spaces in U. S. Army, Europe, schools under the same conditions we provide spaces to other NATO armies;

4 Make on-the-job training available in United States units and installations;

5 Provide certain demonstrations, and

6 Provide certain technical and logistical assistance and advice as requested.

(Continued on page 78)



This picture shows how RCA helps small manufacturers grow

Today the inter-dependence between manufacturer and supplier is stronger than ever in the history of American business. For in the challenging new age of electronics, hundreds upon hundreds of component parts are needed in the manufacture of new products.

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Indeed, more than three-quarters of all RCA suppliers are small business firms that receive nearly one-half of RCA's purchasing dollars. They, in turn, have their suppliers of raw materials. Thus through a long line of cooperative effort, employment is provided for countless people in many fields—and an entire economy benefits.

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. . . "A half million young Americans at ramparts of Europe"

We shall welcome this task, as we shall the newborn German Army. Plagued as I am occasionally in our German-American relations by the activities of some of our too-high-spirited soldiers, I look forward to the day when Private Joe Doakes of Brooklyn and Grenadier Hans Schmidt of Stuttgart get tossed out of the *gasthaus* [tavern] together.

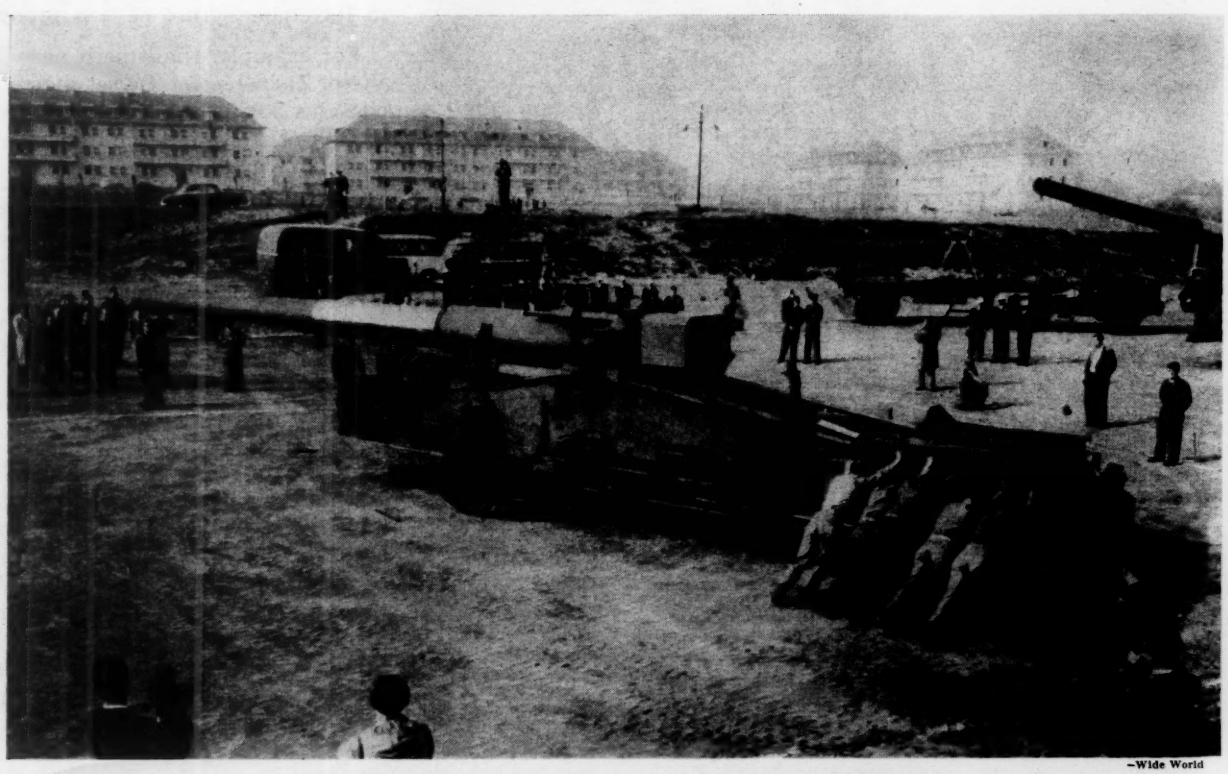
I have not time to discuss our line of communications across France, although I give it the major share of my own time and attention. I have visited most of the facilities, a vast undertaking involving depots with enormous stockages, shops, railroads, hospitals, barracks, quarters, recreational facilities, etc. We made a late start on this project, so that we are not so far advanced in our preparations as we are here in Germany. But rapid progress is being made and the supply chain is definitely in business, even though handicapped by delays in the building program.

My report to you today on the American Army in Europe has been an optimistic one, I think with reason. It is never wise to underestimate a potential aggressor, but I see no reason to paint Ivan as suddenly a mighty military superman. He pulls on his trousers one leg at a time as we all do, and I'd bet that if we could have a peek behind the Iron Curtain we'd see problems that would make ours seem small by comparison.

I do not and cannot believe that the rearmament of Germany will constitute an obstacle to negotiations for the reunification of Germany. The purpose of my country in urging West German rearmament is to create a full NATO military power for the defense of Western Europe—that is to include West Germany on an equal basis with other members. This strength may well guarantee victory without bloodshed, and thus bring us closer to the reunification of Germany.

Our German friends are concerned these days with their fulfillment of these NATO obligations because of what appears to be the reticence of German youth to put aside their books and take up arms. Understandably they dislike to interrupt their educations, careers or vocations for military service. I should like to remind these youth that in the past 15 years the United States has made tremendous demands on its youth. There are more than a half million young Americans here today at the ramparts of European defense. Certainly many of these men want eagerly to return to their classrooms or their jobs.

Yet I remind these young Americans and their German allies that many million Americans have been called up to bear arms since 1940 with no noticeable detrimental effects upon their education, careers or vocations. If anything, military service has been a sobering and stabilizing influence, which stimulated and inspired our youth to greater education and ambition—to such an extent that there has been an overflow at our American universities. The results have been a splendid chapter in American history—our veterans of yesterday, broadened by their contacts with people of many nations, are our political, social, religious and cultural leaders of today. I envision a parallel situation in Germany.



—Wide World

U. S. TROOPS HANDLE THE ATOMIC CANNON IN GERMANY

"We were forced to overcome our numerical inferiority by a marked superiority in weapons"

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FROM INDO-CHINA

GHOST TOWN FOR REDS

HAIPHONG—This once-great port of Northern Indo-China is a dying city. You can stand in the streets and watch the life go out of it.

On May 13, Haiphong will be handed over to the Communists as part of last year's truce agreement ending the Indo-China war. Already a funereal quiet has descended over the broad, shaded avenues which not long ago were crowded with endless streams of military convoys and with thousands of noisy peddlers hawking their wares.

The harbor, once one of the busiest in the Orient, is just about deserted now. Warehouses that a year ago bulged with American military supplies stand empty. One by one the hotels, the bars and shops operated by French colonials are closing their doors. In the Chinese section of town, merchants are putting up their shutters, bundling up their stocks and heading south to Free Vietnam. At night the rats, ever more bold, scurry from abandoned buildings to fatten on the mounting heaps of garbage that litter the neglected alleys.

Without a fight, Haiphong is going to slide behind the Iron Curtain—but the Communists are getting a ghost town.

Salvaging U.S. arms. Little of any value which the French can legitimately move is being left behind. None of the American ammunition, guns, tanks or military vehicles which the U. S. poured into Haiphong during the fighting is to fall into Communist hands. More than 215,000 tons of equipment and supplies have been evacuated. In addition, nearly 20,000 military vehicles and 3,000 civilian vehicles have been shipped south.

The French Army major who just a year ago was boasting of how efficiently he was handling the great incoming flood of American equipment now boasts that the same equipment is being evacuated with equal efficiency.

American industrial equipment supplied to the French during the last five years also is being removed.

—United Press

PEOPLE FLEE HAIPHONG . . . . . LEAVING LITTERED STREETS

The city is abandoned to the rats—and the Communists

Fears of Communist demonstrations to prevent removal of equipment have not materialized. Frenchmen say that the Communists issued secret orders to their followers to refrain from violence, because disorder might damage the installations that incoming Communist administrators expect to take over.

At least one important industrial plant, a cement factory, is likely to remain intact for the Communists. It contains no American equipment, and its French owners are determined to stay in business. But this is almost the only exception to the general policy of evacuating just about everything that can be removed without breaking the Indo-China truce agreement.

Trouble brewing. The Communists are certain to have serious trouble in operating whatever industries are left in Haiphong. Most French technicians are unwilling to stay behind to work for the Reds.

Communist agents in recent weeks have been visiting the coal mines just outside the city, the cement factory and other plants, offering lucrative contracts to French technicians. At first, the French were enthusiastic. Now, most of them have lost interest. They are getting unfavorable reports from Frenchmen who stayed behind in the city of Hanoi to work for the Reds after the Communist take-over there. All but a few of the 40 Frenchmen who remained in Hanoi have left, rather than continue to work in Communist-run industries.

Thousands of Chinese and Vietnamese —about an average of 300 daily—are still coming into Haiphong with reports of hardships suffered under Red rule. Severe taxes are forcing many businessmen in the Communist zone to close up shops. Peasants, who initially welcomed the Reds, say now that high taxes more than wiped out the benefits of land reform.

Great exodus. Such stories are causing the refugee fever to rise in Haiphong itself. Not only the French, but thousands of Chinese and tens of thousands of Vietnamese are leaving this city as the day of Communist take-over nears.

By the time the Reds arrive, nearly 100,000 inhabitants will be gone—about two thirds of the city's population at the time of the truce. Even the Chinese, who, some thought, might have a try at living under Communist rule, are moving out except for a few thousand youths who were persuaded by Red agents to remain.

Frenchmen here are bitter as they take their last look at the gloom and decay of Haiphong. They are far more anti-Communist than the French officials in Saigon who want to do business with the Reds. As the French officers here see it, France is finished as a major power in the Far East on the day that Communist troops march in to take over the dying city of Haiphong.

America does business on

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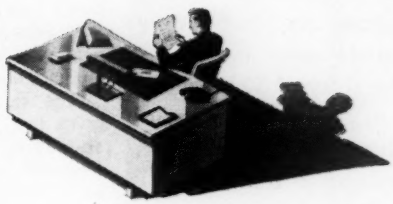

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"Deals" for U.S. Prisoners in China?

Some May Be Out Soon, but Most Face Long Stay

Whatever deal is made, chances are it will take a long time to get all American prisoners out of Communist China.

Reds put a high price on hostages. Past experience shows that. Americans are freed only on Communists' own terms.

Here is the story of 521 Americans listed as "missing" or prisoners in China, and a progress report on efforts to free them.

Reported from
TOKYO and WASHINGTON

Communists of China, demanding that U. S. let them have more chunks of territory in Asia, at this time are known to be holding 57 Americans as prisoners. But 464 other Americans, last seen near or behind Chinese lines, still are unaccounted for.

Of the Americans known to be in Red prisons, 15 are members of the armed forces captured in war when wearing the uniform of the United States. Two are civilian employes of the U. S. Army, captured during the time of the fighting in Korea.

Of the men in uniform, 11 are from a B-29 bomber shot down when on a propaganda mission. Four others are jet-fighter pilots of the U. S. Air Force, shot down over Korea.

Besides these 17 known military prisoners, 40 American civilians are captives of the Communists of China.

The facts outlined have just been given to the Senate's Government Operations Committee by the Department of Defense and the State Department. These facts were supplied as the result of Senators' demands for more information about the Government's efforts to free Americans still held by Red China.

It is understood that some kind of deal is being arranged with the Communists for release of a few of the Americans held in prison. Negotiations with the Communists are said to be continuing through the United Nations. There are hints of a new approach, a possibility that release of at least a few American prisoners might not be far away.

Other Americans, temporarily at least, probably would continue to be held as hostages by the Government of Red China.

A U. S. action of several weeks ago, releasing 76 Chinese students who had been detained in this country, is said to have improved chances for a Chinese move to set some detained Americans free. Any such move by the Chinese is likely to come suddenly, without advance warning.

Prisoners' story. Communists agreed in writing at Panmunjom, as part of the Korean truce agreement, that they would return all American prisoners who wanted to come back. They agreed to account for those who died in captivity.

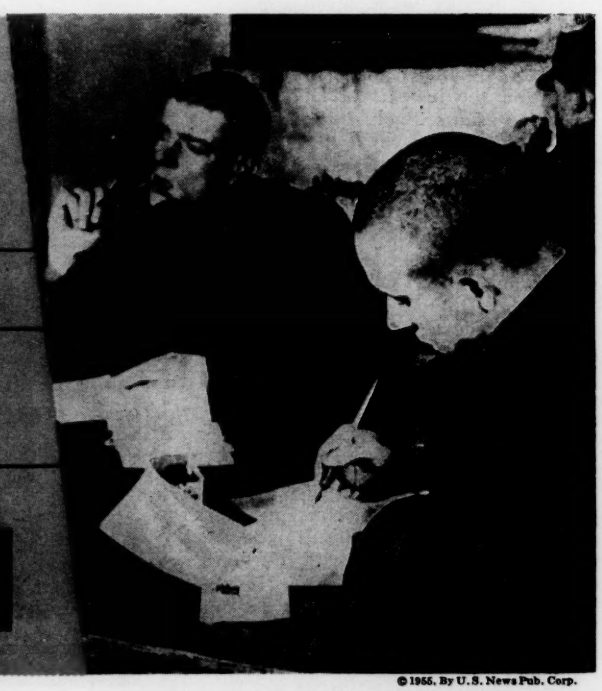
Communists actually returned 3,615 American prisoners in 1953. Then they formally stated that these were all the prisoners in their hands.

Yet, in November, 1954, the Peiping radio suddenly announced that 13 men, including two civilians and the crew of a U. S. Air Force B-29, had been jailed as "spies." Their detention in prison had been concealed for more than a year after the Korean armistice, in violation of its terms.

A little earlier, the U. S. had learned of the imprisonment of four jet-fighter pilots, held on the pretext that they had

LATEST SCORE ON AMERICANS HELD BY RED CHINA

Members of U.S. armed forces known to be imprisoned	17*
Includes 2 civilian Army employes	
U.S. military personnel still classed as "missing"	11
Members of armed forces last seen alive behind Red Chinese lines but now "presumed dead"	453
Army 245 • Air Force 191 • Marine Corps 14 • Navy 3	
Civilians *(mostly missionaries and businessmen)*	40
TOTAL number now captive, "missing," or "presumed dead" inside China	**521**



Source: Defense and State Departments

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"invaded" Chinese home territory of Manchuria. Actually, all four were shot down over North Korea, while on missions in the Korean war.

Still cloaked in mystery is the fate of 464 other American servicemen who disappeared in enemy territory during the Korean conflict. Originally, immediately after the prisoner exchange resulting from the Korean armistice, there were 944 American servicemen whose status was a complete mystery.

Now, the Senate has just been informed, the number of Americans whose fate is still in doubt is down to 464. Interviews with returned prisoners, plus the work of graves-registration units in Korea, has established beyond reasonable doubt that nearly half of the 944 men once unaccounted for have died. Many succumbed in Red prison camps before the Korean war ended.

Most of the remaining men, 464 in number, have been declared "presumed dead" by military authorities. That enables their families to collect benefits not otherwise available to them. The designation is made, too, only when there is no specific evidence to support the possibility that a man might be alive.

Eleven of the group, however, still are listed as "missing in action." These men, all from the Navy and Coast Guard, were lost in a crash of a Navy plane off the coast of China in January, 1953. The men disappeared at sea, and two of them were last seen headed toward the Communist mainland in a small boat. There is no conclusive evidence about these 11 men. There have been reports that two Navy fliers were seen alive, as captives, in a Chinese city.

Civilians "detained." In addition to the 17 known military prisoners, the Communists have 25 American citizens in jail. Three more are under house arrest and 12 others want to leave China but cannot get exit permits.

Most of the 25 people in jail are missionaries. A few are businessmen. Two are students, who went to China under the Fulbright exchange program. One of these students is Walter Rickett, whose wife was released by the Chinese last February.

Mrs. Rickett praised Communism upon her return to the United States. Her case, and that of Malcolm Bersohn, another American student released by the Chinese at the same time, were termed by U. S. officials "tragic" examples of successful Communist brain washing. Both Mrs. Rickett and Mr. Bersohn were imprisoned by the Chinese for three and a half years. Upon release they both stated that they had been "spies" for the United States.

(Continued on page 84)

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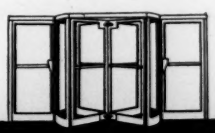

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"DEALS" FOR U. S. PRISONERS?

Altogether, the Communists caught 155 U. S. citizens inside China when they took over the country early in 1950. Over the years, they have allowed 112 of these civilians to leave China. Three of the original group of civilians have died while in prison.

More than half of those now in Communist jails have been there since 1951, approximately four years. No formal charges have been made against them, as a rule, although a few have been publicly "tried" and sentenced as "spies" or "imperialists."

New release effort? Signs now suggest that a new phase is opening in the effort to free these captive Americans. Senators who heard an up-to-date report on the situation make guarded references to "a new approach."

This is a time when the situation seems to favor negotiations. Undercover moves are being made related to the two island groups of Quemoy and Matsu. The U. S. has 130 million dollars' worth of blocked funds and assets, owned by Chinese and North Koreans, that the Peiping Government covets. A release of prisoners could accompany any moves in regard to the offshore islands, or the blocked assets, or trade between Red China and the West.

The stage has been set, moreover, in recent months, for developments on the prisoner issue.

Early last January, after U. S. pressure for action, the United Nations' Secretary General, Dag Hammarskjöld, visited Premier Chou En-lai of Red China to discuss the 15 jailed airmen and any other U. S. military prisoner.

The only visible result, to date, was an offer by Chou En-lai on January 20 to allow families of the American airmen to visit them in prison. This was taken for an obvious Chinese propaganda trick, and the U. S. reaction was that of "firmness." On January 27 the State Department announced it would not issue passports for such visits.

A conciliatory move by U. S. came on February 25, however. It was announced that seven Chinese fishermen were being sent back to Communist China. They had been rescued nine months earlier by an Air Force plane which spotted them stranded on a reef in the South China Sea. The return of these fishermen set off speculation that Red China might make a reciprocal gesture and turn loose some Americans. But nothing happened.

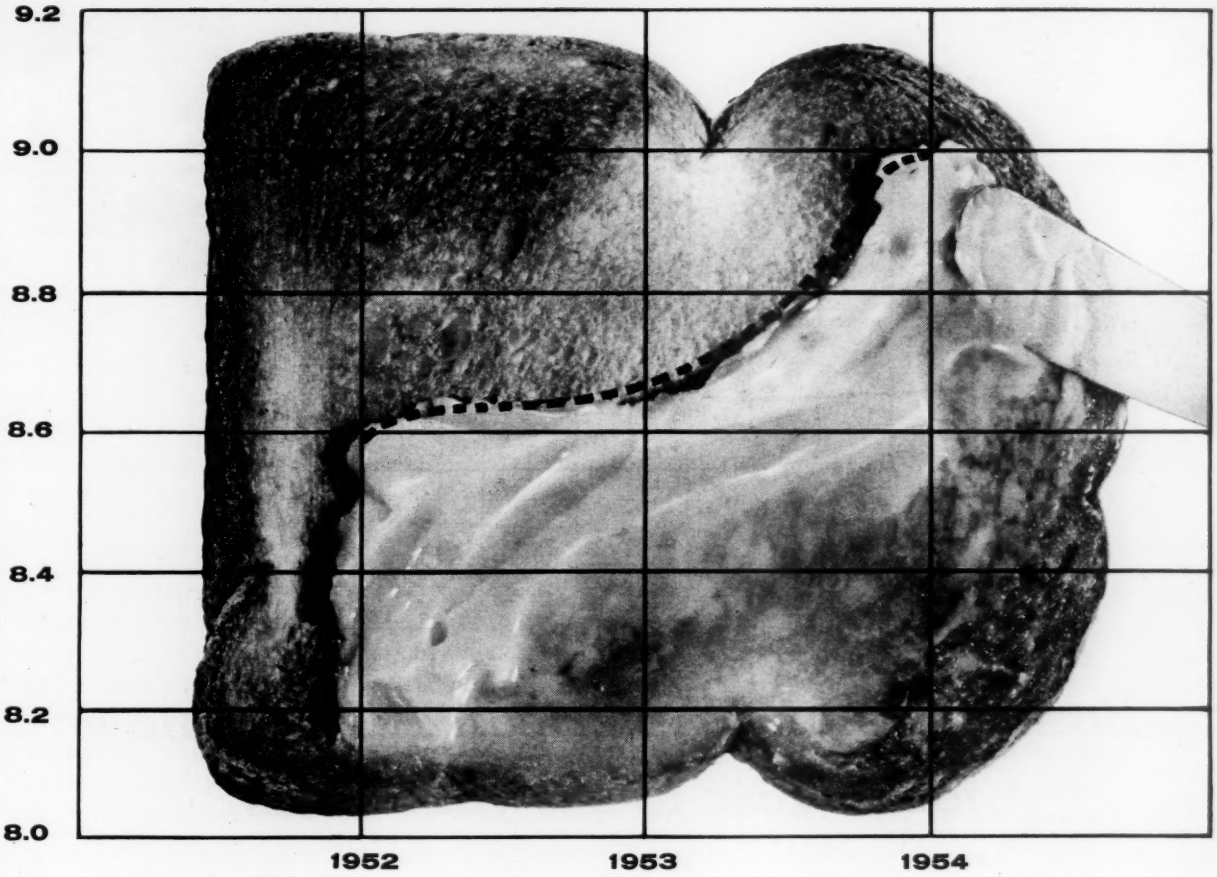
Again, on April 2, came another action calculated to make it easy for the Communists to release some Americans without losing "face." On this day the State Department announced it would issue exit permits to Chinese students who wished to return to China.

Up to that time, 76 students had been denied such permits when they applied. But, again, there was no word from Peiping about its prisoners.

Nevertheless, some officials insist that it is a combination of pressure through the U. N., plus a conciliatory but firm U. S. policy, that will unlock the doors of China's prisons for the American captives. Some Senators, however, are known to feel that it will take a deal, involving ransom in one form or another, before all the Americans are freed.

—United Press

SEVEN OF THE 521
Only a few have been accounted for



America is going back to butter—

Real Butter

Nine pounds of butter for every person in America were consumed last year, according to the United States Department of Agriculture. This is more than 50,000,000 pounds more butter than was eaten the year before—real proof that Americans have been going back to the real thing.

One significant reason for this increase is the advertising and promotion campaign of the American Dairy Association, financed by the dairy farmers themselves.

Americans are being reminded that "just like milk—real butter belongs on your family table."

This new trend is a good thing for all America. American Dairy Association's intensified selling effort is carried on simultaneously for butter, fluid milk, ice cream, cheese, evaporated milk and nonfat dry milk solids. It is providing consumers with *better nutrition, better living.* It's helping grocers step up their display and promotion of this great volume and traffic-building product. And it's giving a lift, too, to the entire national economy, of which dairying is an important part.

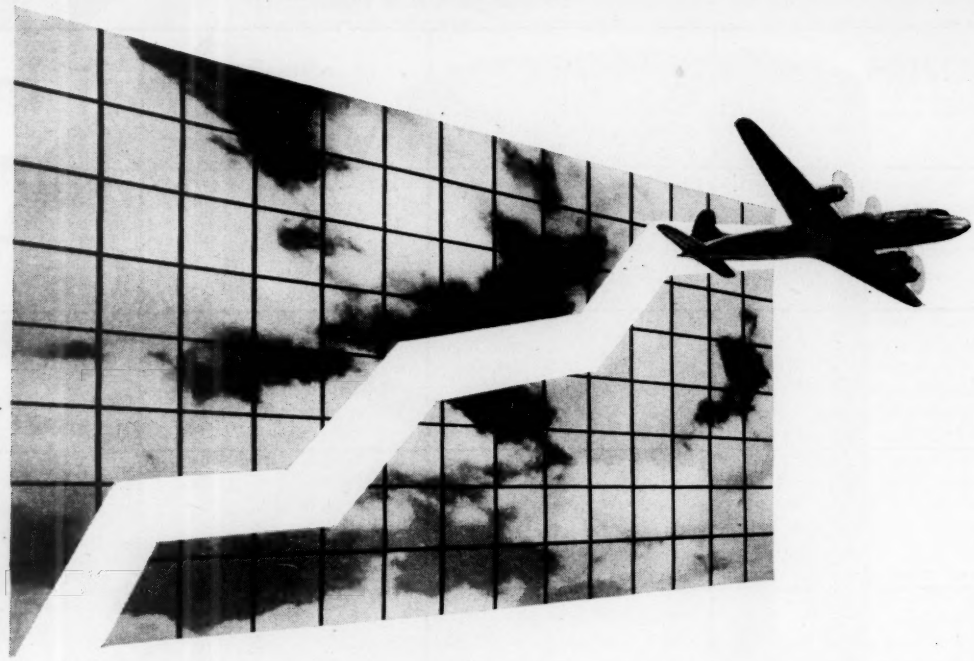
AMERICAN DAIRY ASSOCIATION

20 North Wacker Drive • Chicago 6, Illinois

This message is paid for by dairy farmers across the nation as part of their program to show how you can live better with foods made from milk.

AMERICA'S DAIRY INDUSTRY IS ON THE ROAD TO SALES

You never outgrow your need for Milk



Ross Coles and American Airlines now join forces to lift your sales

Sales management is virtually unanimous! Nothing lifts sales like a well-planned, coordinated incentive campaign. Nothing creates so much excitement as a glamorous travel award. Nothing sustains effort throughout the campaign like prizes for every man and his family; the world's finest merchandise is offered to you at wholesale cost. Nothing takes such a load off sales management as complete, professional campaign servicing.

And now, America's Leading Airline joins hands with a famed prize incentive agency to bring you America's most complete and powerful prize promotion plans.

Skillfully, Ross Coles and American combine travel with merchandise awards to assure maximum results from a minimum expenditure. American Airlines offers "Holiday on Wings" packages to suit every prize budget. Ross Coles experienced staff takes every detail off your desk and follows your campaign to successful completion.

If you want more sales and more profits, why not investigate this unusual service today? Just mail the coupon.

Ross Coles Contest Winners Fly aboard the Flagships of

AMERICAN AIRLINES

America's Leading Airline
Serving Canada, Mexico and the United States

ROSS COLES AND COMPANY, INC.
333 W. Lake St., Dept. A-4
Chicago 6, Ill.

Without obligation, please send "The Ross Coles" materials that will be of value in planning a successful incentive program.

*Name*_____

*Firm*_____

*Address*_____

*City*_____ *State*_____

Ross Coles and Company, Inc.

PRIZE INCENTIVE AGENCY

Chicago, Detroit, New York, San Francisco, Omaha, Milwaukee

***PLANS.** Our staff is noted for fresh ideas, professional know-how and attention to every detail.*

***PREMIUMS.** In addition to famous prizes, a separate division handles all types of Premium plans.*

***MAIL SERVICE.** A 24-hour beltline operation is mechanized to handle 100,000 pieces of mail per day.*

News YOU Can Use ®

IN YOUR PERSONAL PLANNING

24th and N Streets, N.W.
Washington, D. C.

Changes in familiar mailing practices and postal services are being made by the Post Office Department. Here are things about them you need to know:

CERTIFIED MAIL. Most of the revamping stems from the Department's attempt to cut down operating deficits. Newest is "certified" mail, slated to start as soon as needed forms can be distributed to post offices around the country.

This service is for important mail that has no real money value but for which you may want proof of posting or delivery. You pay a 15-cent fee, get a coupon to show the letter was mailed. The post office delivering the letter obtains a signed receipt and keeps a record of it for six months. Any time up to then that you want proof of delivery, you can pay 10 cents and get it. Or, if you ask at the time you mail the letter, this proof will cost only 7 cents.

The service is similar to registered mail, but cuts out a lot of postal record keeping. Registered mail, at a higher fee, still is to be available.

POSTAL CHANGES. Other changes that have been--or are being--made:

Quicker payment to survivors or estates, usually without an O.K. from Washington, of postal-savings deposits held in the name of a deceased person.

Use of check-writing machines to speed up issuance of postal money orders.

Clamping down on mailing rules so advertising circulars, without addresses, no longer can be sent through the mails to city dwellers.

Easing regulations so complaints about postal service can be handled on district levels instead of having to be forwarded to Washington.

SELLING A HOME. The federal tax collector points out in an official ruling that renting your house before you sell it can make you ineligible for a special tax break. This is a provision of tax law that postpones the tax on your gain if you put all the proceeds from the sale into the new home.

The house you sell, however, has to qualify as your "principal residence." Renting it before you sell may make the house fail to meet that requirement. Depends on the facts in each case. You might be able to rent it temporarily and still get the tax break. But if, for example, you are transferred to another city, rent the house for several years and then sell, chances are your gain would be immediately taxable.

SOCIAL SECURITY. It may work a hardship, but the letter of the law must be followed when it comes to paying the lump-sum death benefit provided under the

(over)

Social Security program. That's the decision of a U.S. district court in New York. Case involved a destitute and disabled widow whose husband, before he died, deserted her. The law provides that the lump-sum death benefit is payable to the wife only if she was living with her husband at the time of his death. That means just what it says, the court held, and so the widow could not collect --even though she had been "wrongfully abandoned" and was in need.

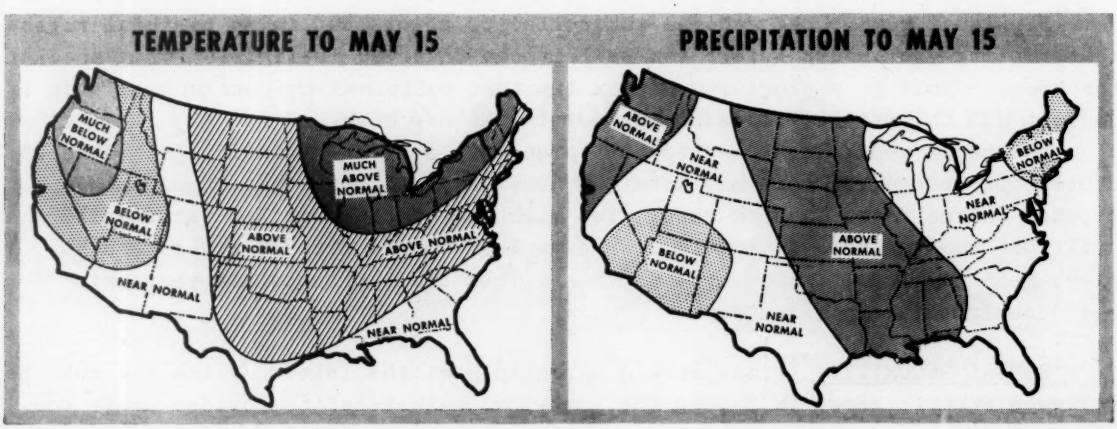
DRAFT DEFERMENT. This from the Selective Service System to answer questions we get about the draft-deferment qualification test many college students just have taken: A score of 70 or better in the test makes the student eligible for consideration by his draft board for deferment. That score holds good for the rest of the student's years in college; he doesn't also have to rank in a specific part of his class gradewise.

INSURANCE. Look for a reduction in premiums on individual health and hospitalization insurance now that the Salk polio vaccine has proved a success. One company already has announced a 5 per cent cut, others are expected to follow suit. Note that this applies only to individual and family policies not bought under group-insurance plans.

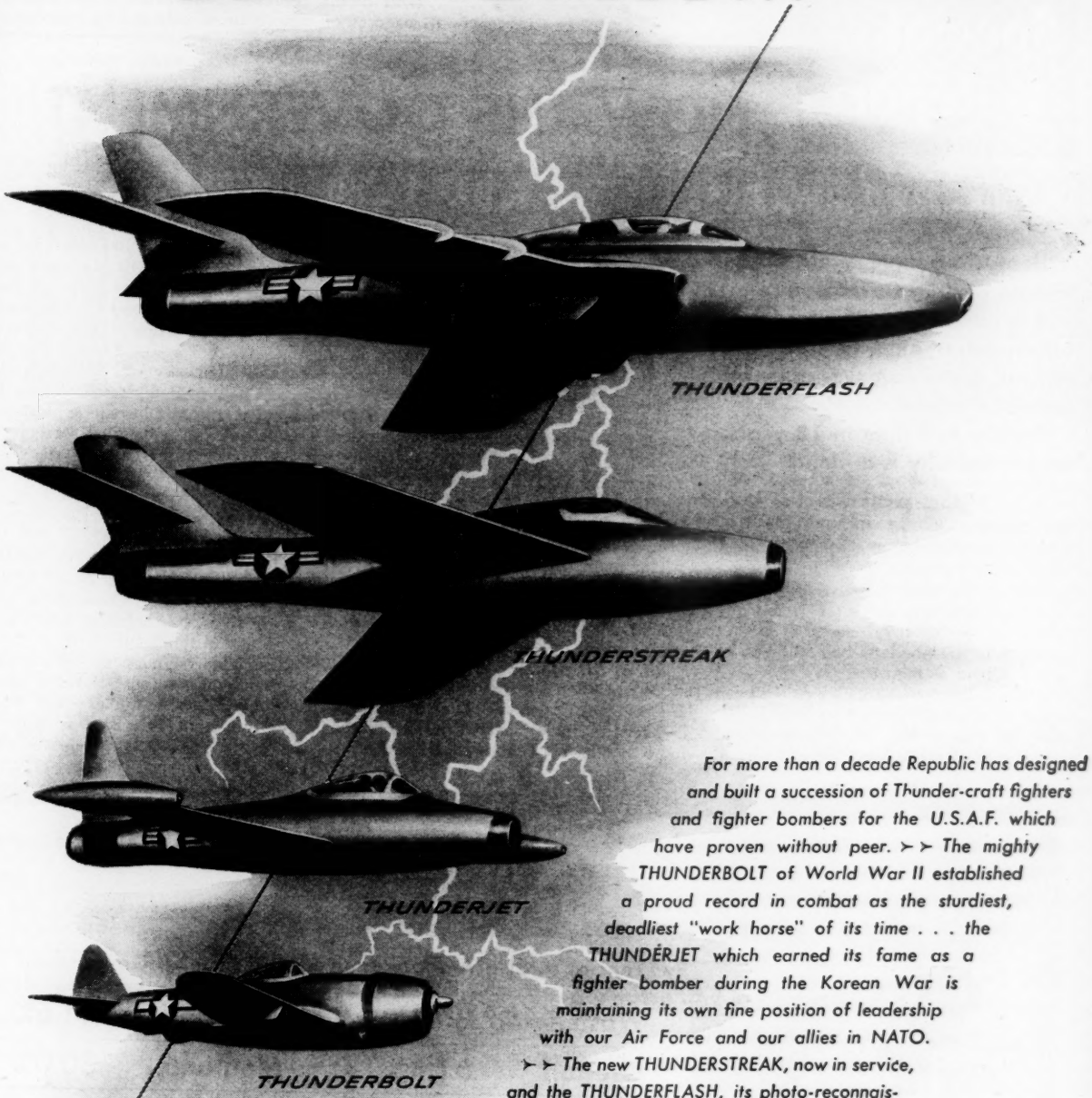
HOME WIRING. It's easy to tell if the electrical appliances you own are putting a dangerous strain on the wiring in your house, the Air Conditioning and Refrigeration Institute says. Here are danger signs it lists: Fuses blow frequently. Lights dim noticeably when appliances are operating. Television pictures expand and contract when other appliances are being used. Appliances are slow in starting to work.

BRAKES. Better check up on the brakes of your automobile, now that spring and vacation driving are at hand. A safe-driving pamphlet by the Association of Casualty and Surety Companies reveals that about half the cars on the road have insufficient hydraulic fluid in brake mechanisms. Says the Association: Fluid level should be checked regularly--a service you have to ask for--and the entire brake system looked over at least twice a year.

WEATHER. The weeks to mid-May are to be warmer and wetter than normal for much of the nation, these maps based on the Weather Bureau's outlook indicate:



SUPERIORITY...



For more than a decade Republic has designed and built a succession of Thunder-craft fighters and fighter bombers for the U.S.A.F. which have proven without peer. ➤➤ The mighty THUNDERBOLT of World War II established a proud record in combat as the sturdiest, deadliest "work horse" of its time . . . the THUNDERJET which earned its fame as a fighter bomber during the Korean War is maintaining its own fine position of leadership with our Air Force and our allies in NATO. ➤➤ The new THUNDERSTREAK, now in service, and the THUNDERFLASH, its photo-reconnaissance counterpart, with an entirely new range of speeds and effectiveness emphasize that each product of Republic's know-how maintains superiority of performance in its field.

REPUBLIC AVIATION

FARMINGDALE, LONG ISLAND N. Y.

Designers and Builders of the Incomparable **THUNDER-CRAFT**

Special Report

(This article represents the result of an extensive research on a problem of outstanding importance.)

NOW THE GOVERNMENT KNOWS HOW BIG IT IS

Here is a unique record about the rise of "big Government."

It is told in vast acres of land, billion-dollar piles of steel and cement, factory smokestacks, all federally owned.

For the first time in 18 years, an official tally is at hand.

A fascinating picture of the U. S. Government as the nation's greatest real estate developer emerges from a new official study.

The record shows this–

• The Government, after practically giving away a billion acres in earlier years, now has had to buy millions of acres of land at high cost.

• More than 1.6 billion dollars has been spent by the Government for land in the last 18 years. Yet, the Government, when it bought this land, already owned about a fifth of all the area within the nation's borders.

• More than 22 billions has been spent for Government buildings and other structures in the last 18 years. This is four times the amount invested in federal structures in the previous century and a half.

These facts are revealed by a sweeping survey of all the Government owns in the way of lands, power plants and other "real" property. The last time anything like this was done was in 1937. Real estate in foreign land and U. S. territories is not covered.

The map on this page shows where most of the Government lands are located: in 11 westernmost States. There, federal ownership accounts for nearly one acre out of every two.

Room for atomic tests. You can see at a glance one big reason why A-bombs are tested in Nevada. The Government owns 61.5 million acres in that State, more than 87 per cent of all the land, and so has plenty of space for explosions, without endangering towns and farm lands.

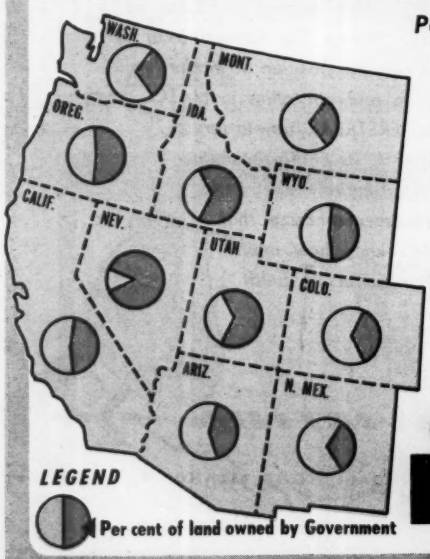
Seclusion for secret work on atomic energy was easily found in New Mexico, where the Government owns almost a third of the land. There, the main A-bomb laboratory was set up, a whole Government-owned town was built around it, the first atomic explosion was touched off—all with great secrecy.

Altogether, the Western States contain 359 million of the 405 million acres the Government owns in the entire country. That doesn't include 56 million acres held "in trust" for the Indians.

There is some federal real estate in every State. Even the State with the smallest amount, Connecticut, with 17,666 acres, has holdings which are by no means insignificant.

The table on page 91 tells what the huge federal holdings are being used for and, by inference, gives some idea of what much of this land is like: wide sweeps of woodland, sagebrush, desert.

GOVERNMENT OWNS NEARLY HALF OF ALL LAND IN THE WEST



Per cent of total acreage owned by the Federal Government

Washington	30.3%	Arizona	41.6%
Oregon	51.8%	Montana	30.0%
California	46.2%	Wyoming	47.7%
Idaho	65.3%	Colorado	36.2%
Nevada	87.4%	New Mexico	32.6%
		Utah	64.6%

Government holdings in 11 Western States

359,100,000 acres, or 47.7% of total

Source: General Services Administration

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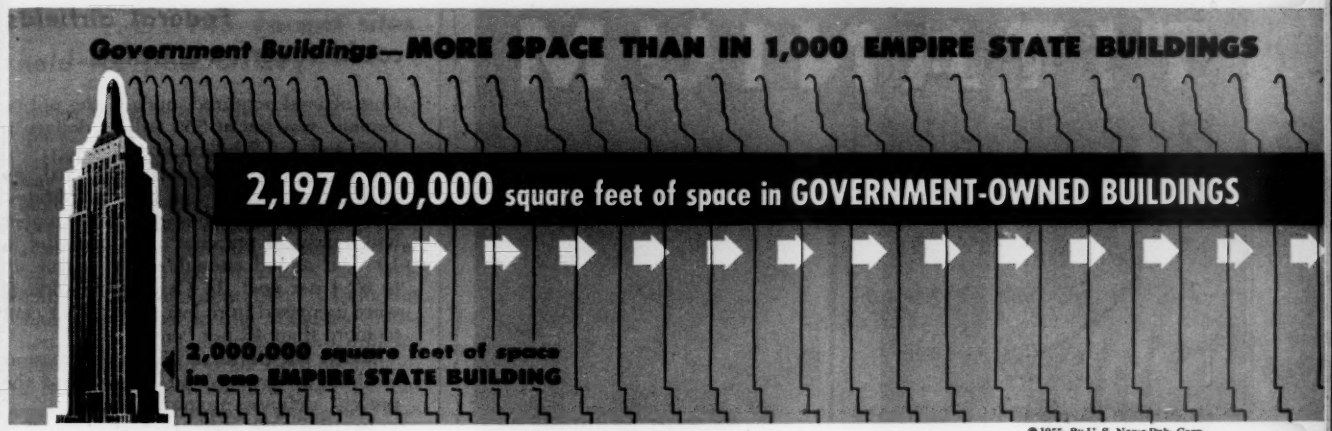
Government Buildings—MORE SPACE THAN IN 1,000 EMPIRE STATE BUILDINGS
2,197,000,000 square feet of space in GOVERNMENT-OWNED BUILDINGS
2,000,000 square feet of space in one EMPIRE STATE BUILDING

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Nearly 356 million acres is used chiefly for grazing and forestry, including some lumbering, or is just being left to the birds and beasts. Most of this land has economic value. It can feed sheep or cattle, produce good timber either now or in the future, or perhaps yield minerals.

Officials estimate only about 34 million acres may be worthless in a commercial sense, either barren desert or woodland too skimpy to cut.

A billion acres gone. At one time or another, the Government has had, in what is known as the "public domain," nearly 1.5 billion acres, chiefly lands in then-unsettled territories, which now have become States. More than a billion acres of this was turned over to States, settlers, railroads and other owners.

Even today, it is possible for the individual to claim a homestead from the public domain, up to 160 acres, for only a small fee, if he is willing to build on the land and use it.

The Government also offers some lands for sale. Sometimes it's a small building site, left idle by a change in plans. Other times, there are sales of scattered tracts the Government finds too costly to keep. Thousands of acres of grazing land in North Dakota are to be put up for sale this summer for that reason.

But the Government's biggest real estate problem in recent years has been getting land, not getting rid of it. The Government has bought back, at high cost, acreage it once gave away.

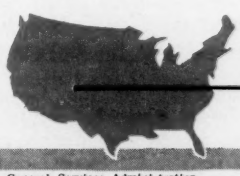
What has been going on is discovered in comparing the 1937 report with the new survey.

Total amount of land owned by the Government increased from 395 million acres in 1937 to 405 million by 1954.

(Continued on page 92)

WHAT FEDERAL LANDS ARE USED FOR

Principal use	*Number of acres*
Forests and wildlife	186.3 million
Grazing	169.6 million
Military (except airfields)	15.2 million
Airfields	2.0 million
Parks and historic sites	15.0 million
Reclamation and irrigation	8.8 million
Flood control and navigation	3.2 million
Industrial uses, including atomic energy	1.8 million
Power development	1.5 million
Sites for hospitals, offices, storage, housing, other purposes	1.7 million



TOTAL LAND OWNED BY THE GOVERNMENT IN THE U. S.—405.1 million acres

OR 21.3% of entire country

Source: General Services Administration

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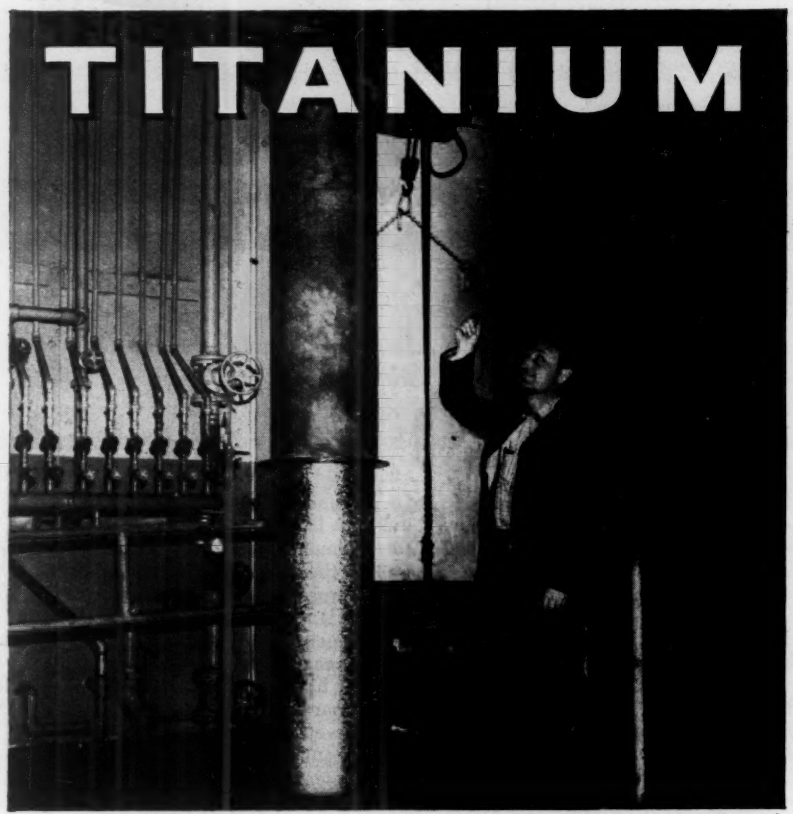
MALLORY·SHARON reports on



Removing titanium ingot from crucible; vacuum double-melting furnaces in background.

MALLORY-SHARON triples titanium capacity!

• Nothing better demonstrates that titanium is out of the development stage and geared for volume production than Mallory-Sharon's new melting plant. Built for an annual output of 3,000,000 pounds of titanium and titanium alloys, this new addition triples our previous capacity.

Strong, lightweight titanium from Mallory-Sharon is being supplied to virtually every major aircraft and jet engine manufacturer. Its strength and lightness are vital to superior airpower. In commerical applications too, titanium's unexcelled corrosion resistance merits your investigation.

Mallory-Sharon has the production capacity, and even more important, a reputation for the highest quality standards in producing a full range of titanium and titanium alloy mill products. Use our experience in your applications of titanium . . . the new metal that's coming up fast!

Mallory-Sharon Titanium Corporation, Niles, Ohio.

MALLORY Ti SHARON

Federal airfields could cover two States . . .

Cost of land acquired, outside the public domain, was put at 559 million dollars in 1937 and is 2.2 billion now.

The Government has increased its holdings in all but half a dozen States. Even in Nevada, where the Government had nearly 83 per cent of all the land in 1937, it added enough to bring this up to 87.4 per cent. In California, holdings were increased from less than 40 per cent to more than 46 per cent.

Acres for defense. The main reasons for buying were World War II and the present defense program.

In 1937, the military services had a little more than 3 million acres. Today, these services have 21.1 million acres, including several million in river and harbor projects. The Atomic Energy Commission, not in existence in 1937, has 2.1 million for industrial layouts and other purposes.

Federal airfields, 2 million acres of them, are enough to cover the States of Delaware and Rhode Island completely at one time.

In addition, the Government has been growing generally, taking more land for offices and projects such as flood control, power and irrigation.

The investment in buildings and other structures has grown enormously.

As the chart on page 91 shows, the federal agencies now have nearly 2.2 billion square feet of floor space, enough to make a thousand Empire State buildings. Cost of the buildings is put at 14.4 billion dollars.

The Government also owns factories, docks, airfields, dams and other "improvements" that cost 13.6 billions. Thus, the total construction cost, apart from land, comes to 28 billions. That doesn't include the cost of removable machinery, furniture, or similar equipment.

The comparable figure for 1937 was only 5.6 billions. The amount spent since 1937 is four times the cost of all structures acquired up to that time.

Buildings for defense. Defense again is one big reason for the splurge of building. Since 1937, the armed forces have moved into their present headquarters, the Pentagon, world's largest office building. The Atomic Energy Commission has built factories, and, in some cases, small cities.

Other agencies have grown into big, new quarters since 1937. New hospitals have been put up for servicemen and veterans.

A breakdown on the Government buildings gives somewhat surprising results. Most people immediately associate office buildings with Government. This

. . . 145 vacant sites held for post offices

proves to be one of the smaller uses of space.

Here, in order of importance, is the way the federal agencies are using their buildings: housing, 643 million square feet; storage, 560 million; services, such as repair shops, aircraft hangars and retail stores, 272 million; offices, 246 million; industrial operations, including many plants now in idle, stand-by condition, 217 million; hospitals, 119 million; schools, 60 million; other uses, 80 million.

Most of the housing is used by the armed forces for military personnel. The military also takes most of the storage space.

Through the survey, the Government now finds that it owns power plants that cost 2.7 billion dollars; roads and bridges, 1.6 billion; flood-control dams and similar facilities, 1.5 billion; irrigation systems, 1.2 billion; electric systems, somewhat more than 1 billion; water systems, 817 million; heating systems, 664 million; harbor facilities, 493 million; railroads, 455 million; sewerage systems, 431 million.

Right now, the Government is getting rid of some of its facilities. It is selling synthetic-rubber plants to private companies. Some defense plants, considered "surplus," are being offered for sale.

More land, more building? But an end of building for federal agencies is not in sight. New power and water projects are planned. New airfields are being constructed. New sites for guided missiles are being readied.

The Atomic Energy Commission is anxious to get a new headquarters. The Central Intelligence Agency also is looking for a site. A new Senate Office Building is being built, and there are some in Congress who advocate planning for a new Capitol building.

However, some moves are afoot to slow down the Government building boom and spread of federal land holdings. Many new post offices and other office buildings are to be built in the future with private funds and rented by the Government.

Sale of vacant building sites is to be hastened. The survey shows nearly 145 acres in vacant sites being held for post offices alone.

One purpose of the survey is to make federal agencies aware of all the sites and buildings the Government already owns, so that they can put to use some of those that are vacant now, instead of spending money on new projects.

Management of the vast federal real estate is proving to be a mammoth task, where mistakes could cost billions.

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This year . . . take a vacation from driving fatigue and tempers that go with the traffic. Treat your family to a trip on Mo-Pac's luxurious EAGLES . . . and RELAX!

Vacationing in the wonderful West and Southwest? Go Mo-Pac Family Fare . . . and rent a car once you're there. You'll be amazed to learn how little it costs!

HOW THE FAMILY PLAN WORKS ON ROUND TRIPS:

★ Head of family pays adult round trip fare.
★ Wife (or husband) and Children 12 to 21 each pays adult *one way* fare.
★ Children 5 to 11 each pays *half* the adult *one way* fare.
★ Children under 5 travel free.

Leave any Monday, Tuesday or Wednesday . . . return any day.

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Enjay now foremost butyl rubber supplier

90,000 tons yearly production of Enjay Butyl, now available from its originators, will go into varied industrial products

Enjay Company, Inc., a pioneer and leading supplier of petroleum chemicals, will market Butyl and supply advisory service in its applications.

The low price and high-level performance of Enjay Butyl allow it to replace natural and other rubbers now used in industry. Enjay Butyl is the rubber that combines high resistance to aging . . . abrasion . . . tear . . . chipping or cracking . . . ozone or corona . . . chemicals and gases . . . heat . . . cold . . . sunlight . . . and moisture.

The new Enjay Laboratories, located at Linden, New Jersey, are equipped to provide expert technical assistance in compounding and adapting Enjay Butyl to individual uses and requirements.

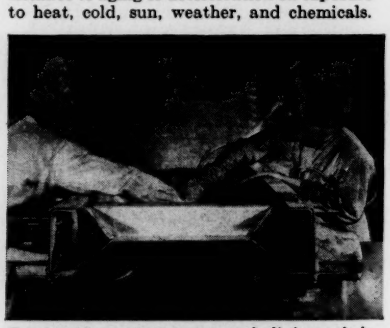
Distinctive properties and low price give Enjay Butyl wide industrial application

Inner tubes are made of BUTYL because BUTYL holds air ten times better than natural rubber. Its impermeability to gases promises many uses.

1955 cars use Butyl for dozens of rubber parts, because BUTYL has super-durable resistance to aging or deterioration on exposure to heat, cold, sun, weather, and chemicals.

High voltage electrical cables are made with BUTYL because BUTYL offers superior corona and ozone resistance, combined with excellent heat, cold, and abrasion resistance.

Tractor tires are made with BUTYL because BUTYL gives low tread wear and high resistance to weather, cracking, cutting, and chipping.



Protective clothing, tank linings, belt covers, hoses, and other equipment in contact with chemicals use BUTYL because of its exceptional resistance to chemicals.

GIANT TOWERS at a plant producing Enjay Butyl reflect the massive achievement of manufacturing rubber from petroleum.

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and technical assistance on applications or supply of ENJAY BUTYL, write or phone

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DISTRICT OFFICE: 11 South Portage Path,
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ENJAY
BUTYL

Official Answers—

ALL ABOUT A-BOMBS, FALL-OUT, DANGERS IN THE FUTURE

Your Health? No Risk . . . Weather? Not Affected

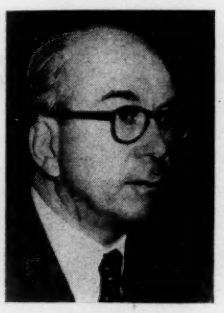
After all the rumors and alarms about effects of this country's A-bomb tests, the cold facts now are given by top U. S. scientists who have studied the problem at first hand.

You get, in what follows, the factual answers to most of the questions now being asked. Result: You can stop worrying about effects of the tests on you or your descendants.

The atom isn't generating monsters, isn't causing tornadoes, isn't endangering people, animals or crops. Exactly what is happening is explained in answers to questions asked by members of the Joint Committee on Atomic Energy, in Congress.

Following are extracts from the transcript of hearings held by the Joint Committee on Atomic Energy, U. S. Congress, April 15, 1955:

Mr. Strauss [Lewis L. Strauss, Chairman of the Atomic Energy Commission]: Since the Atomic Energy Commission's detailed report of February 15 last on the effects of high-yield nuclear explosions, there have been misapprehensions and speculation in some quarters which have tended to confuse the effects described in that report with the effects of the atomic tests currently being conducted in Nevada.



MR. STRAUSS

The February 15 report dealt with the March 1, 1954, explosion of a so-called H-bomb at Bikini atoll in the Pacific. The Bikini device produced an explosive force equal to millions of tons of TNT and deposited its radioactive fall-out over an area of several thousand square miles. Such high-yield thermonuclear weapons as the one which formed the basis of the February 15 report are not tested in Nevada or elsewhere within the continental United States. Therefore, the effects described in that report do not apply to any atomic tests conducted in Nevada.

While it is true that there are radioactive particles in bomb clouds produced by the Nevada tests, this does not mean that dangerous radioactivity is scattered over off-site areas.

It is completely erroneous to assume that every nuclear explosion, regardless of size or point of burst, creates a fall-out danger over thousands of square miles and ranging several hundred miles downwind from the point of burst. This is not the case. The explosion at Bikini occurred on the surface of the island. The fall-out, therefore, resulted from both the tremendous explosive power and the fact that the fireball touched the surface of the earth.

An atomic device of the type now being tested in Nevada detonated under the same conditions as those of the Bikini explosion would have produced only a very small fraction of the fall-out. Likewise, if the Bikini H-bomb had been exploded high in the air, the particles would have been smaller and lighter than was produced by the surface explosion, and therefore they would have been carried by the wind over a greater distance. This would have meant that when the tiny particles finally drifted to earth, and perhaps much earlier, they would have lost most of their radioactivity due to decay.

The yields, that is to say the energy release, of the atomic devices tested at the Nevada site are actually quite small by comparison with the thermonuclear weapons whose testing is confined to a remote area of the Pacific.

Many of the weapons tested in Nevada are tactical devices, designed for use by the armed services against comparatively small, restricted targets.

In fact, it would take several thousands of the smallest of these Nevada devices to produce explosive energy equal to that of the Bikini H-bomb, the effects of which were described in the Commission's February 15 report.

Since the first tests were conducted at the Nevada site in 1951, more than 40 of these smaller atomic devices have been exploded.

So far as we are aware, no civilian has ever been injured as a result of these tests.

I would like to say here, however, that four members of the armed services—all of them participants in the test operations—did receive eye injuries on site, that is to say, at the test site, during the Nevada test operations, in the years 1952 and 1953.

I am advised that the Department of Defense informed the Commission of this at the time. I was not then a member of the Commission and had no knowledge of this until I read it in the newspapers recently. The events, as I have said, occurred two and three years ago.

The Department of Defense advised that three of the military personnel received only minor eye injuries, and the fourth suffered serious eye injury through negligence in disregarding safety instructions.

HAVE ATOM TESTS BEEN CAUSING CASUALTIES?

Rumor: *Many have been injured in atomic tests. It's kept hushed up.*

Fact: • No civilian has ever been injured by any nuclear explosion inside U. S.

- Four soldiers, out of thousands participating, have been hurt in A-bomb tests to date. Three got minor eye injuries, the fourth more serious eye damage, all from light and heat of atomic explosions. Fourth man had disregarded safety rules.
- U. S. technicians, natives of the Marshall Islands and crew members of a Japanese fishing boat were exposed to fall-out from an H-bomb explosion in 1954. Some of these survived exposures of up to 175 roentgens of radiation. Average exposure of American people from all nuclear tests in the world through February, including Russia's, is about one tenth of one roentgen, or the same as you get in a chest X ray.

Source: AEC Chairman Lewis L. Strauss and Dr. John Bugher, AEC medical director

WILL TESTS PRODUCE "FREAKS" IN THE FUTURE?

Rumor: *Radioactive fall-out from current atom tests will produce a race of monsters in years to come.*

Fact: • For each 1 billion genes, which control the characteristics of future babies, genetic tests with animals indicate that about 5,000 normally will show some change in each generation. If the 1 billion genes are exposed to 1 roentgen of radiation, about 100 to 200 additional genes will undergo change. Not even this small change is likely to appear from test radiation, which in U. S. has totaled an average of one tenth of one roentgen since first tests began.

- Any changes that might appear in future generations as a result of current tests, in other words, would be far too infrequent for detection without extremely close records, if then.

Source: AEC geneticist Dr. E. L. Green and Dr. John Bugher, AEC medical director

These few regrettable accidents must be related, however, to the many thousands of personnel engaged in the tests who have received no injury from the tests themselves.

Senator Anderson [Clinton P. Anderson (Dem.), of New Mexico, chairman of the Committee]: Mr. Chairman, I am sure we appreciate that statement because there has been some public questioning about it. Am I correct in my understanding that these injuries were not due to radiation but due to light?

Mr. Strauss: . . . Can Dr. Bugher confirm that? Is that correct?

Dr. Bugher [John C. Bugher, M.D., director, division of biology and medicine, AEC]: Light and heat, yes, sir.

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Senator Anderson: Mr. Cole.

Representative Cole [W. Sterling Cole (Rep.), of New York]: Mr. Strauss indicated that only four military personnel had been injured. In order that the record may be complete, does that mean that no civilian employes operating in connection with the tests were injured, and that the four military constitute all personnel who have suffered injuries?

Mr. Strauss: That is my understanding, Mr. Cole. As a result of the tests, I believe that there have been what I would call ordinary industrial injuries—a person tripping over a wire or having a piece of heavy material fall on his feet, or things of that sort . . .

Representative Cole: . . . Do you mean that all of the persons injured by reason of radiation in connection with the tests were the four military personnel to which you have made reference, and no civilian employes or participants were injured?

Mr. Strauss: That is my information, Mr. Cole.

Representative Hinshaw [Carl Hinshaw (Rep.), of California]: I understand, Mr. Cole, they were not injured by radiation, but by light and heat. . . .

Senator Anderson: I think what Mr. Cole is trying to get to, that was an inclusive list regardless of the cause.

Mr. Strauss: I believe a purist would say that light and heat are also radiation, Mr. Cole. In using the term "radiation" I am assuming that we mean neutrons or gamma radiation from the blast itself.

The Commission's staff has reported, on the basis of its nation-wide monitoring, that the radioactive fall-out from the Nevada tests, even communities nearby the site, has never in any instance approached a level which is hazardous to health.

The fall-out experienced by most American cities has barely added to the level of nature's normal background radiation which is always present in the soil, water and air.

In this connection it is worth noting that radiation above normal background levels sometimes has been detected when no atomic tests have occurred. This is due to "cosmic showers," those periodic phenomena of nature which have been occurring for a millennium perhaps without any known danger to the human race.

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The Commission's February 15 report stated:

"In general, the total amount of radiation received by residents of the United States from all nuclear detonations to date, including the Russian and British tests and all of our own tests in the United States and the Pacific, has been about one-tenth of one roentgen. [A roentgen is the unit of quantity of X rays.] This is only about 1/100th of the average radiation exposure inevitably received from natural causes by a person during his or her reproductive lifetime. It is about the same as the exposure received from one chest X-ray."

That statement, as you will note, referred to all tests of all types of nuclear weapons by all countries to date. If we refer only to the current tests being conducted at the Nevada site we must speak—not of roentgens or even one tenth of a roentgen—but of milliroentgens, that is to say, thousandths of a roentgen.

During the Nevada test series the radiation exposure from fall-out, outside the actual testing area, has been well below the level that would constitute any actual hazard to the health of exposed individuals.

Generally speaking, the exposure experienced by the American people from the current Nevada tests has been less than the radiation they normally receive every few days from natural sources.

(Continued on page 98)

. . . Atom explosion: "Radiation dissipated in seconds"

I would like now to refer briefly to the matter of genetic effects. . . .

* * *

We know that the amount of radiation exposure from all nuclear tests up to now is only a small fraction of the exposure which occurs naturally from the soil, water and air. Moreover, in considering the effects of radiation it should be borne in mind that over the ages the human race has been subjected to the continuous impact of radiation by cosmic rays and other natural phenomena.

Medical and biological advisers of the Atomic Energy Commission are of the belief that the possibility of serious genetic effects from the small amount of additional radiation produced by the testing program is remote.

* * *

For Genetics Research: 1.5 Millions

. . . The Commission supports about one third of all federally supported genetic research carried on in the United States and in addition is engaged in extensive research in its own laboratories. The Commission is spending approximately 1.5 million dollars a year on genetics research alone. The Commission will continue its thorough studies in this field and will report its findings to the American people as heretofore.

Within recent days the importance of such studies has been emphasized by the announcement that the National Academy of Sciences will undertake a broad appraisal of the effects of atomic radiation with financial support of the Rockefeller Foundation. This study is a timely undertaking and was discussed with the Commission before the arrangement was made. The Commission will facilitate this project in every way and will make available to the National Academy of Sciences the data which it has collected, both classified and unclassified.

* * *

In conclusion, we must not lose sight of the fact that our security and the security of the free world is dependent upon the nuclear tests—both the testing of the so-called H-bombs in the Pacific and the smaller atomic devices in Nevada.

These tests involve more than the developing of atomic weapons, important as that obligation is. They provide vital data, which can be obtained in no other manner, on which to build a sound and effective system of civil defense against the eventuality of an enemy attack.

Soviet Russia possesses atomic weapons; there is no monopoly for the free world. Therefore we have no alternative but to maintain our scientific and technological progress and maintain our strength at peak level. The consequences of any other course would imperil our liberty, even our existence.

The weapons which we test are essential, not only to our national security and that of the free world; they have been and may well continue to be a deterrent to devastating war.

* * *

Senator Hickenlooper [Bourke B. Hickenlooper (Rep.), of Iowa]: . . . Is it not a fact, Mr. Chairman, that after an explosion occurs a great deal of the radiation is dissipated within a very short time by decay, so that the initial amount of radiation that is generated by an explosion rapidly diminishes in quantity and in intensity in a very short time? Is that correct?

Mr. Strauss: In the space of seconds or less.

Senator Hickenlooper: That is through decay?

Mr. Strauss: That is right, sir.

* * *

Dr. Libby [W. F. Libby, member of the AEC]: I think a more quantitative answer might well be given, Senator Hickenlooper. The radiation dissipates at the rate of tenfold for every sevenfold increase in the age of radioactive products. That is, at the end of seven hours the radiation level is one tenth the level at one hour, and at the end of 49 hours, or roughly two days, it is one one-hundredth of the level at one hour. This is the law which it follows. So it dissipates quite rapidly.

Senator Hickenlooper: In other words, it decays and ceases to exist?

Dr. Libby: Ceases to exist.

* * *

Dr. Bugher: . . . The forces released in even the smallest nuclear explosion are very great. Blast, light, heat and nuclear radiation may be transmitted to considerable distances. In general, the danger diminishes very rapidly with distance, but it has still been necessary to caution people within direct sight of the proving ground not look at the fireball through binoculars, not to stand near windows at the time of expected detonation and not to expose themselves needlessly to nuclear radiation. Some minor damage has been done; for example, window glass has been broken in Las Vegas and Indian Springs. A small number of horses and cattle which were grazing adjacent to the proving ground, at the time of the detonation, has been injured at various times. Radioactive fall-out has been readily demonstrable in many of the nearby communities and on one occasion there were a few small communities which received a total environmental exposure slightly greater than the announced operational guide. . . .

DR. BUGHER

Some claims for damage have been made. These have all been carefully investigated, and where the evidence has given a reasonable basis for the conclusion that damage had in fact occurred, responsibility has been acknowledged and compensation negotiated. In other instances it has been diffi-

DID FALL-OUT KILL OFF NEARBY HERDS?

Rumor: *Thousands of animals have died on ranches in the West as a result of atom tests.*

Fact:

- A few horses on a range just outside the Nevada A-bomb test site have been injured by bomb explosions at various times.
- Some cattle, grazing adjacent to the proving ground in Nevada, also were injured by the explosions and resultant radioactive fall-out.
- Sheep that died in southern Nevada and Utah during and just after the 1953 atom tests were found to be victims of drought, and drought-induced disease, rather than radiation. Some of the sheep were exposed to radiation from the atom tests. Exhaustive tests proved, however, that the radiation could not have contributed to their deaths.

Source: Dr. John Bugher, AEC medical director

. . . Ocean contamination: "Within drinking-water standards"

cult to determine the cause of losses which have been sustained. In these cases long and laborious studies have been undertaken. One of the best examples was the problem occasioned by the loss of sheep in southern Nevada and Utah during and following the 1953 test series and erroneously attributed to the tests. Examination of numerous animals, taken in conjunction with a thorough knowledge of the country in which the herds had wintered, made it possible to state the degree to which these animals had been exposed to radioactivity. It was concluded, from all of the scientific evidence obtained, that while there had been some small exposure of the sheep to radiation, this could not have been a contributing factor in the losses which the ranchers had experienced.

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Senator Hickenlooper: Your statement is: "It was concluded, from all of the scientific evidence obtained, that while there had been some small exposure of the sheep to radiation, this could not have been a contributing factor in the losses which the ranchers had experienced."

Was the prime or the chief cause of the loss determined by any branch or agency of Government?

Dr. Bugher: Not fully, Senator Hickenlooper. The studies are still going on, because they deal with the problems of range management in the presence of drought conditions which obtained at that time, and which have persisted to some extent since then. So that it has appeared that the problem is one of nutrition, a problem of a grazing animal turning to foodstuffs, that is, plants, that normally the animal does not browse on, and a complicated situation such as that.

Senator Anderson: But, in any event, you are sure it was not due to radiation?

Dr. Bugher: Yes, sir.

The apparently high incidence of tornadoes during the spring of 1953, coincident with the testing of atomic devices in Nevada at that time, prompted a number of inquiries by the public as to a possible relationship. As a result, the Atomic Energy Commission and the Weather Bureau entered into a joint project for the purpose of analyzing all relevant factors of atomic tests for possible bearing on weather in general and tornadoes in particular. . . .

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ARE ATOMIC EXPLOSIONS AFFECTING THE WEATHER?

Rumor: *Atom tests have been causing tornadoes, drought, heavy rains, or cold weather.*

Fact: • Weather Bureau study shows that fewer tornadoes have occurred in areas of A-bomb tests than in other areas.

- Government carried out a careful series of tests to see if radioactive fall-out might be "seeding" clouds, causing heavy rains in some areas, drought elsewhere. The conclusion: There is no connection between A-bomb explosions and rainfall.
- One thunderstorm releases as much energy as about 13 average atomic bombs, so could not very well be caused by such a relatively small charge.

Source: Dr. Harry Wexler, U. S. Weather Bureau, and Dr. John von Neumann of AEC

By means of the network of stations which has been operated for the last three years and toward which the Weather Bureau has made a substantial contribution, in effort, it is possible to speak today with a sure knowledge of the degree to which radioactive material from weapons tests has descended on all parts of the United States. With the exception of certain atolls in the Marshall Islands, the United States has been the recipient of considerably more radioactive material than any other country of which we have knowledge.

° ° °

At the present moment the activity throughout the United States from bomb debris resulting from all past tests—that is, not including the present series—amounts to 0.2 per cent of the natural radioactivity contributed by cosmic rays and radium and radon of the earth's surface, together with potassium 40, the natural potassium 40, which is a normal component of all living things.

How Oceans Are Studied

Not only have the land areas been explored but extensive operations have been undertaken at sea. For years the marine biologists at the University of Washington have been studying the effects of the operations at Bikini and Eniwetok on the fauna of those islands. In addition to the Applied Fisheries Research Laboratory at the University of Washington, the Commission supports marine work at the University of Hawaii and has constructed and made available to biologists a marine biological station on Eniwetok itself.

During these recent weeks a team of scientists from Atomic Energy Commission's health and safety laboratory and from the Scripps Institute of Oceanography and the University of Washington, Seattle, has been working aboard the Coast Guard cutter *Taney* under the command of Comdr. Albert J. Carpenter. This expedition has been measuring the residual radioactivity in the waters which have been flowing westward from the Marshall Islands since the "Castle" operations last spring. By employing very sensitive and precise instrumentation they have been able to demonstrate the presence of small amounts of radioactivity for several thousand miles and have been able to develop new knowledge concerning the rate at which the waters of the equatorial current mix both horizontally and in depth.

This expedition was conducted, first, as a part of the effort to obtain quantitative knowledge of the radioactivity previously released and, second, to utilize the presence of activity as a tracer system for studying the ocean currents. This party has now reached Japan, having worked the last few days in waters in which they were unable to detect an increase in the background radioactivity.

The maximum water contamination which they encountered gave about 120 disintegrations per minute per liter. Such a figure as this is well within the standards for drinking water and for continuous consumption adopted by the National Committee on Radiation Protection and the corresponding International Commission. Studies such as this are complex since they must extend to the various living things and food chains that exist in the ocean. They become important to man, however, only when they involve such portions of the ocean life as he may use for food.

This then is the environmental situation expressed in approximate quantitative terms as it exists today from all tests heretofore performed. . . .

We must distinguish general environmental effects from

. . . Radioactive rain: "No danger of that nature"

the accidental exposure of a number of people in the Marshall Islands last March 1. Not only were Marshall Island residents and task-force personnel involved but also a number of Japanese citizens in a fishing boat. Among these were obvious and serious injuries occurring from general exposure of the order of 175 roentgen, combined with an additional skin exposure of at least 4,000 roentgens to the lower levels of the epidermis. This is of a completely different order of magnitude from the average exposure of the American people of about 0.1 roentgen from all tests.

* * *

The extremely complicated and difficult genetic problem in man constitutes a very important section of the studies being conducted in Japan. No firm conclusions can be given until the statistical work is finished, but it seems likely that some evidence of genetic effect will have been obtained among the more highly irradiated survivors at Hiroshima and Nagasaki. At the lower exposure rates, it is quite evident that no changes can be recognized.

. . . Mr. Chairman, I would like to request Dr. [E.L.] Green to develop this subject somewhat more in detail. Dr. Green is associate professor of zoology at Ohio State University, on leave to serve the Atomic Energy Commission [as a geneticist with the division of biology and medicine]. He acts at Ohio State University as the faculty member directly responsible for teaching and research in genetics.

Dr. Green: Mr. Chairman: The biological effects of radiation are not limited to the exposed individuals. Descendants of exposed people may show genetic effects of radiation. What we need is the best obtainable estimate of the magnitude of the genetic effects of radiation, taking into account the results of research extending over several years and also the various areas of uncertainty which still exist.

DR. GREEN

Each living person is the product of the genes, or hereditary material, he received from his parents. Several thousands of genes are transmitted from parents to offspring, usually without change. A gene may change, or mutate, once in a while under natural conditions so that the genes of the offspring are different from those of the parent. This has been going on since life began. Radiation is known, among other agents, to produce gene changes or mutations. The frequency of mutation of genes is proportional to the amount of radiation received by the cells of the sex glands. For genetic effects, the total amount of irradiation received before parenthood is important, not the rate of exposure nor the duration of exposure.

Genetic experiments with animals suggest that for a billion genes about 5,000 will mutate spontaneously or without assignable cause in each generation. If the billion genes are exposed to one unit of radiation—i.e., one roentgen—about 100 to 200 more genes may mutate. The average level of radiation from all tests of atomic weapons to date is about one tenth of this unit of radiation.

Thus, instead of 5,000 mutations, there may have been 5,010 or 5,020 mutations in a billion genes. A billion genes may be taken to represent about 100,000 organisms. It should be re-emphasized that these estimates may be either too low or too high, since they are based upon animal experiments.

Gene mutations induced by irradiation are usually deleterious. Since the term "deleterious" has a special meaning here, it should be explained. The term refers to the effects of the genes on development, growth, and survival of individuals. It is also important to distinguish between two cases: first, when a gene with deleterious effects occurs in both parents and, second, when it occurs in one parent only.

If a deleterious gene mutuation is induced and if an offspring receives the same mutation from both parents, it may have a very low probability of survival. In large outbreeding populations of mankind, the chance of receiving identical radiation-induced mutations from both parents is very, very small. The occasions when this may happen as a consequence of present levels of radioactivity from tests will be so rare and spread out over so many thousands of years that a detectable effect on birth and survival rates is unlikely. If an offspring receives a deleterious mutation from only one of its parents, it may be totally unaffected, or in a few cases it may show some observable harm, or its chance of survival may be reduced by 5 or 10 per cent. This is the more important case. Numerically these may still be so few as to be lost among the varied types of offspring being produced as a consequence of genetic and other causes. So long as the amount of radiation is low, the genetic risk is correspondingly low.

* * *

Aftereffects of Atom Tests

Senator Anderson: Some few days ago there was a story in the paper that there had been radioactive rain in New Orleans. Somebody worried that there might be so much radioactivity it might be harmful. You would have been able to find that out if there had been, would you not?

Dr. Bugher: Yes, sir.

Senator Anderson: And the fact there has not been a situation of that nature surely indicates that across the country as a whole there has been no danger of that nature from these tests?

Dr. Bugher: Once one gets remote from the test site itself, the real danger to people rapidly falls off.

Senator Anderson: I am not trying to confine it to the very narrow area around the test site. There may be some slight danger there. But away from the test site there has been, as a result of these tests in Nevada, no exposure of the American public that would unduly jeopardize health?

Dr. Bugher: No, sir.

Senator Anderson: Is that right?

Dr. Bugher: Yes. . . .

* * *

Senator Anderson: Dr. Green, how many spontaneous mutations occur in man, if you can reduce it to figures at all?

Dr. Green: The estimates vary for different traits in man, but a figure of 1 in 100,000 to 1 in 1 million gene reproductions per generation may be taken as a reasonable figure. The figure I gave was about halfway between those two.

Senator Anderson: Assuming a tenth of a roentgen exposure, which we have been talking about, would the increase be noticeable?

Dr. Green: It would be so small that it would take very refined techniques to detect them, techniques which are ordinarily available only in experimental animals.

Senator Anderson: How much radiation would be necessary before the increase would be detectable, or at least noticeable?

Dr. Green: We have frequently spoken of the amount of radiation necessary to double the mutation rate. This is a sometimes convenient way of referring to the necessary radiation to increase the mutation rate sufficiently to be detectable.

. . . "Uranium and thorium in earth's crust have radioactivity"

This amount of radiation has been estimated as surely less than 100 roentgens; 30 to 60 roentgens probably would do it. If you want a single figure, 50 roentgens might at this point be taken as the amount of radiation necessary to double the mutation rate. That is very much larger than—

Senator Anderson: In other words, 300 to 800 times as much as they are now exposed to, in order to double this rate?

Dr. Green: Yes, sir.

Senator Anderson: So that the possibility is pretty remote of it happening in the near future?

Dr. Green: Yes, sir.

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Representative Cole: Can you explain that in a sentence or two in a way that a layman can grasp why it is that mutations caused by irradiation are more likely to be deleterious than beneficial?

Dr. Green: The present living forms are a product of many, many years of evolution. They may be regarded as comprised of genes that have survived in natural selection over these many years. Any damage, any external force that acts upon this highly adjusted mechanism, may be expected to damage it rather than improve it.

Representative Cole: I judge by that, then, you conclude that man has improved himself, he has gone just as "fur" as he can go, and any changes that may occur from here on are bound to be deleterious.

Dr. Green: This would be very difficult to speculate on, and I would rather not.

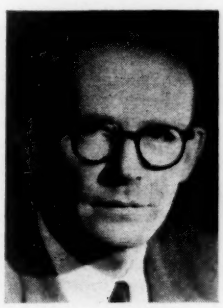
Representative Hinshaw: Reference has been made frequently in the course of this hearing to the radioactivity of the natural environment. . . . What is that amount of radioactivity in the terms of milliroentgens or roentgens, or other term that you want to employ . . . ?

Dr. Libby: I will attempt to answer your question, Mr. Hinshaw.

The natural background consists of several different sources of radiations. The body has in it the element potassium, and all potassium has a slight degree of radioactivity. That is, the potassium isotope has a half life of about 1 billion years.

Representative Hinshaw: Did you say 1 billion?

Dr. Libby: Yes. So about 35 milliroentgens per year, if my calculations are right—I have been calculating recently on the question you ask—about 35 milliroentgens per year are received from the potassium alone in the body.



DR. LIBBY

The uranium and thorium which occur in the earth's crust have additional amounts of radioactivity. This, of course, depends upon the nature of the soil. If you take a granite rock—if I remember the numbers correctly—the thorium in the granite rock will expose a person who is not shielded in any way, who is walking around on the surface of the granite rock, to about 40 milliroentgens per year, or slightly more than the body potassium.

The uranium in the granite rock and the radium adds, I think it is, about 20 milliroentgens.

Then, on top of this, the cosmic rays which reach to the sea level despite the great thickness of the atmosphere—they are very energetic and do reach to the sea level—the cosmic rays add another contribution which, I believe, is in the order of 25 milliroentgens per year.

It is very interesting to know that the cosmic rays vary strongly with altitude, and at an altitude—if I remember the numbers correctly—at the altitude of Denver the factor of increase is such that the total background radiation would be double. In other words, rising from a total at sea level of the order of 100 milliroentgens per year, or 130 milliroentgens per year on the granite-rock assumption, living on granite rock at the level of Denver, something over 200 milliroentgens per year would be the natural background, the increase being due entirely to cosmic rays.

We have, in addition, the fact that even though granite is the hottest rock, so to speak, nothing is very cool. The most favorable soils run about a quarter of granite. So even with these the intensity of background radiation is very considerable, and, of course, the cosmic rays are not affected by this.

The sea and the rivers are lower in background contamination than the soils. So the background exposure of sailors is much lower than that of people living on the land.

There are endless variations of this background question, but I think I have mentioned the principal contributing factors of any importance.

Representative Hinshaw: You speak of background radiation as being the radiation of the natural environment?

Dr. Libby: Yes.

Representative Hinshaw: And I believe, if one adds up your first set of figures, he comes to approximately 100 milliroentgens for the normal radiation background of the natural environment that goes on all the time at around sea level or, say, the level of Washington.

Dr. Libby: That is right.

Representative Hinshaw: And then you say on the order of 200 milliroentgens at the elevation of Denver, which is 5,000 feet, approximately?

Dr. Libby: That is right.

Representative Hinshaw: And that goes on all the time, and has gone on since time immemorial, I guess, and probably will, and was increased in early times by the fact that less decay had taken place at that time. Is that correct?

Dr. Libby: Yes.

Representative Hinshaw: Then I would assume from your

IS FALL-OUT FROM NEVADA TESTS DANGEROUS?

Rumor: *Radioactive fall-out from some tests at Nevada, like the big H-bomb test in the Pacific last year, could be dangerous over thousands of square miles. That's why tests are delayed until weather is right.*

Fact:

- No big H-bomb tests have been, or will be, carried out within the continental United States. The Pacific H-bomb test, which caused the big fall-out pattern, was the equivalent of several thousand A-bombs of the type usually tested in Nevada.
- Amount of radioactivity exposure experienced by the American people from the current Nevada tests has been less, generally speaking, than the radiation they normally receive every few days from natural sources.

Source: AEC Chairman Lewis L. Strauss

. . . "We have been having radiation for millions of years"

statement and that of Dr. Green that if there have been mutations in the species, they have been due to this normal background radiation over the ages. Is that true?

Dr. Green: And other factors.

Dr. Libby: There are probably other factors which cause mutation, I believe, in addition to radiation. Chemical agents can cause mutation.

Representative Hinshaw: But the mutations incurred by radiation have been going on for millions and millions of years due to this same radiation background that we speak of; is that right?

Dr. Libby: Yes, sir. I think that is correct.

Representative Hinshaw: And I believe you say in the course of your statement that there has been an increase of maybe a tenth of 1 per cent in the general radiation background due to fall-out from the 40 or so atomic tests that have already taken place?

Dr. Libby: A very small fraction. The increase is a very small fraction of the background.

Representative Hinshaw: Very small. That is in the nature of a tenth of 1 per cent or less?

* * *

Mr. Eisenbud [Merril Eisenbud, director, AEC health and safety laboratory]: As far as I know, except for the immediate region of the Nevada test site, this increase is not demonstrable by normal instrumental procedures.

Representative Hinshaw: And there is enough difference from place to place so that it would be almost undetectable?

Dr. Libby: Yes, sir.

Mr. Eisenbud: And from hour to hour.

Representative Hinshaw: That is correct, is it?

Dr. Libby: Yes, sir. The variations from one locality on the earth to another are much larger than the total intensity of our fall-out.

Representative Hinshaw: I think that explains a great deal, Mr. Chairman. We have been having radiation for millions of years, and the amount of increased radiation due to the atomic tests is almost undetectable.

Pacific, Nevada Tests Confused

Senator Anderson: . . . I would like to return, Mr. Chairman, to your statement where you mention the fact that the Bikini device [H-bomb] produced a radioactive fall-out over an area of several thousand square miles. And the figure, I believe, was given once of something like 7,000 square miles. Is that tied in any way to the discussion we have been having here of normal radioactive exposures from these tests at Las Vegas?

Mr. Strauss: No, Mr. Chairman, and I am very happy that you have asked the question. The point I was trying to make in my statement, and perhaps failed to make, was that there has been a confusion between the results of the high-yield thermonuclear test in the Pacific and the quite low-yield devices that are tested at the Nevada proving grounds.

Senator Anderson: That is what I am trying to get to, Mr. Chairman. I would not want someone to leave here with the impression that if a small device is tested at Las Vegas, there can be fall-out in a cigar-shaped pattern over 7,000 square miles.

Mr. Strauss: It would take many thousands, several thousands, of such devices as have been tested in Nevada to equal the energy release and fall-out that occurred in Bikini. . . .

Representative Cole: Mr. Chairman, I just want to clarify what I think is a misunderstanding I have had with respect to Dr. Green's statement to the effect that mutations caused by irradiation are deleterious. Is that peculiar only to the mutations caused by irradiation, or may that also be said with respect to mutations irrespective of cause? Or is it more likely that the mutations would be deleterious than beneficial?

Dr. Green: New mutations, no matter from what source, may be largely—usually are—deleterious.

Representative Cole: Thank you very much. I find that I did misunderstand your statement. I thought you emphasized deleterious effect from irradiation because of the peculiarities of irradiation itself.

Before we release Dr. Bugher, on the question of strontium 90, may I inquire if that is a product of the atomic age?

Dr. Bugher: Yes, Mr. Cole, it is entirely a product of the atomic age.

Representative Cole: And you estimate that strontium 90 now in existence is about one one-thousandth of a dangerous proportion?

Dr. Bugher: It is less than that on the average, but the very maximum we have been able to find is less than one one-thousandth.

Representative Cole: Does that mean that if atomic tests and explosions continue at the rate that they have in the last few years since the atomic age, that civilization can feel secure for approximately a thousand years? Is not that approximately a reasonable assumption?

Dr. Bugher: It is very reasonable, Mr. Cole. The point is that this material also decays in time, so that what actually develops is an equilibrium. It does not continue to accumulate indefinitely. There would be no prospect any time whatever of the amount of strontium 90 reaching a level which is much more than it is right now, even though tests were to continue uniformly, indefinitely in the future.

Representative Cole: That is a very, very comforting statement to hear, if I understand correctly what you have said. Would that same statement be true if atomic explosions were accelerated many, many, many times over what have occurred in the last five years?

Dr. Bugher: If we have a very large acceleration of rate, then there would be a gradual build-up to a new equilibrium level, which would be appreciably above what it is now or what it will be, but it would take a very large number to bring an equilibrium level of strontium 90 up to a point where we would have reason to expect it can actually be damaging.

(Continued on page 104)

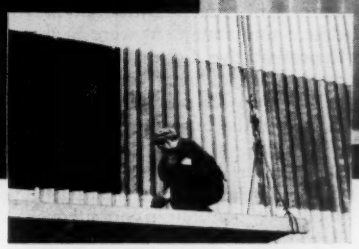
IS U. S. USING ASIANS AS GUINEA PIGS?

Rumor: *The United States is deliberately testing its big bombs in the Pacific, where the radioactive fall-out will blow across Asia, debilitate people there, leave Americans unharmed.*

Fact: • Except for a few islands right near the Marshalls, the U. S. actually has received more radioactive debris from atomic tests than has any other country, as far as AEC knows.

• Even so, debris-caused radioactivity in this country, highest in the world, serves to increase the normal "background" radioactivity by only two tenths of 1 per cent.

Source: Dr. John Bugher, AEC



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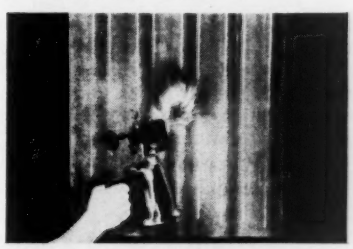

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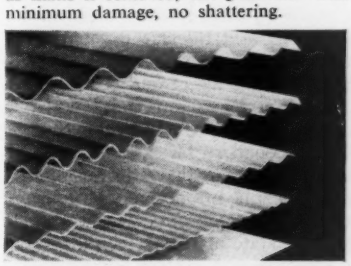

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. . . "Climatic effect is not present"

Representative Cole: Is there any reason for civilization to be concerned with respect to damage, harm, because of strontium 90?

Dr. Bugher: It depends on the meaning of "concern," Mr. Cole. If you say, is there any reason to fear for civilization from strontium 90 at any foreseeable level of activity, no. . . .

I have estimated that the equilibrium level of strontium 90 would have to be raised between 100,000 and a million times over what it is now before we could expect to detect any change in human pathology and disease due to an isotope.

Dr. Libby: I think it might be interesting to add, but the strontium 90 has no genetic effect.

Dr. Bugher: That is right.

Dr. Libby: It goes to the bones, you see, which have no genetic significance. I thought maybe the record might be clearer if that statement were in there.

Representative Cole: Just to take a minute more to get an understanding of what you mean when you say strontium 90 will build up an equilibrium, does that mean a degree of tolerance to the human system? Or what do you mean by an equilibrium?

Dr. Bugher: No, sir. It derives from the physical situation. You are getting a steady increase, but the material that is formed itself continues spontaneously to decay or decrease.

Representative Cole: But you have indicated strontium 90 has a very long half life.

Dr. Bugher: Twenty years.

Representative Cole: Only 20 years?

Dr. Bugher: Yes. So that, in the terms of centuries and so on, this is a very short time, of course. In the lifetime of an individual it is important as a period of decay.

Representative Cole: At any rate, as one charged with the responsibility of the health and safety of the American people and civilization generally, are you seriously disturbed by the hazard of strontium 90?

Dr. Bugher: No, sir, not actually.

° ° °

Atom's Long-Range Effects

Senator Anderson: Dr. Von Neumann, I wonder if you might just put into the record any comments you may wish to make on long-range effects on weather of atomic-energy explosions and nuclear detonations generally. Will it affect our weather very materially? Or will it take a very substantial amount to affect our weather?

Dr. Von Neumann [John von Neumann, member of the AEC]: It will probably take a great deal more than what has happened so far. . . .

The energy involved in an atomic bomb is large by ordinary concepts, but not very large from the point of energies involved in climate and meteorology. I think one inch of rain over the State of Pennsylvania corresponds to 2,000 megatons [a megaton is 1 million tons].

However, what is a very great effect is if you put a pall of dust over the earth, it excludes sunlight and thereby has essentially cooling effects. This is a known phenomenon.

A large volcano, Krakatoa, erupted in the nineteenth century. Krakatoa reduced the solar heating of the earth by something between 5 and 10 per cent over three years. It has been calculated that one eruption like this every year would be enough to bring back the conditions of the last ice age. We have reason to believe that the amount of material thrown up by Krakatoa was about 100 times more than that of the largest nuclear explosion so far. About 100 times more material of small particles was shunted in this case into the atmosphere than the largest nuclear explosion today. This means that on the scale of the way things are going now it is not conceivable there should be any large-scale effect of this kind. It is very true, if one wanted systematically to affect the climate, one could explode nuclear bombs and it would have much larger effect. But this is not the way it is done. Therefore, at this moment large-scale climatic effect is not present.

Representative Cole: How many Krakatoas did you say would bring about the ice age?

Dr. Von Neumann: Usually it is believed about one a year.

Representative Cole: One a year?

Dr. Von Neumann: Yes, it would take a little while.

Representative Cole: If the time ever should come that there would be nuclear or thermonuclear explosions to the point of a hundred a year, then in time we could anticipate the ice age?

Dr. Von Neumann: We would notice real climatic changes after 10 or 20 years of that. But, of course, there are other effects you would notice a great deal long before that time.

Senator Anderson: At least it has not done it as yet. . . .

° ° °

Dr. Wexler [Harry Wexler, chief, scientific-service division, U. S. Weather Bureau]: . . . There is a natural human tendency to associate two events occurring close together as cause and effect. This holds in many fields, but is particularly prevalent in weather. From time immemorial man has been exposed to the vagaries of weather, and in attempting to explain these has pointed the finger at many factors—astronomical configurations, plant, animal and insect manifestations and in more recent centuries, at his own technological innovations.

DR. WEXLER

Successively, with the appearance of gunpowder, steam and gasoline engines, radio communication, the airplane and now nuclear energy, man has thus attempted to explain the vicissitudes of weather to which he is exposed. The interesting feature of this historical process is that the variety of weather changes is equaled only by man's inventiveness in trying to explain them.

The advent of nuclear energy has convinced many people that here at last is a source of energy large enough to influence the weather. Probably part of this belief stems from the familiar mushroom cloud of an atomic explosion which to the untrained eye is similar to the well-known thunderstorm cloud. From this superficial similarity it is a small step to attribute to nuclear explosions any unusual weather occurring in the individual's neighborhood. So a nuclear explosion is blamed simultaneously for the heavy rains or drought, cold weather or hot weather, stormy weather or lack of wind.

A few years ago the changing complexion of letters received at the Weather Bureau indicated a growing popular interest in atom bombs and possible weather effects. Accordingly, a study was initiated to poll the leading meteorologists about possible connections and to study the weather records for many years to see if weather occurring since the beginning of the atomic age differed significantly from that before 1945.

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(Continued on page 106)

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. . . "Fewer tornadoes in areas of the atomic clouds"

Suggested influences of nuclear explosions on weather: Of the 80 or so replies received from these inquiries, about half indicated that the writers could see no possible connection between the atomic explosions and the ensuing weather. The others speculated that if there would be any connection at all, it would be along these lines: The atomic debris might serve as a cloud-seeding agent; that the radioactive nature of the debris might produce changes in the electric parameters of the atmosphere, and that this, in turn, might produce some changes in the more directly observable weather elements; or that the dust resulting from an atomic explosion might interfere with the amount of solar radiation reaching the earth. None of those who replied believed that the energy of the atomic bombs exploded in Nevada could have any direct effect on the weather beyond the proving ground, and several volunteered arguments against this possibility.

Each of the possibilities listed above was investigated and the results published in *Science,* the official organ of the American Association for the Advancement of Science, in the Jan. 21, 1955, issue. A brief summary is given here.

Results of Meteorology Study

Cloud seeding: It has been established that in those portions of the atmosphere containing condensed moisture but a deficiency of ice-forming nuclei, one can actually alter the physical characteristics of certain types of clouds mainly by changing them to ice crystals. It appears that over 99 per cent of the Nevada dust which is raised by the atomic explosions represents desert soil in an unaltered state.

Analysis of this soil by the Air Force Cambridge Research Center and Dr. Vincent Schaefer of the Munitalp Foundation reveals that the Nevada dust has very poor ice-nucleating properties. The Air Force tests further indicated that the ionizing properties of the radioactive debris appear to play no role in the precipitation formation in their laboratory. . . .

Electrical properties: The electrical conductivity of the atmosphere is altered locally when the radioactive debris is deposited on the ground, a fall-out or when the cloud passes overhead. The ionizing radiations from the deposited debris change the conductivity in such a shallow layer near the ground as to be insignificant when viewed in terms of usual atmospheric phenomena.

The passage of the atomic cloud overhead, by increasing the electrical conductivity of the air, may interfere with the charge-separation mechanism in thunderstorms in such a way as to inhibit lightning strokes. We have not found any evidence to show that this has ever occurred. We feel that the presence of atomic debris while giving rise to detectable changes in local electrical fields plays no significant role in the weather.

Solar radiation: In 1883, the catastrophic eruption of a single volcano, Krakatoa, increased the dust in the atmosphere sufficiently to cause a 10 per cent decrease in the intensity of solar radiation as far away as France for a period of three years. Whether or not the Krakatoa explosion and dust had any effect on world weather has not been determined. Nothing like the Krakatoa dust pall has been observed since, either from volcanoes or nuclear explosions in Nevada or in the Pacific. . . .

* * *

. . . None of the scientists who replied to the inquiry about A-bombs and weather felt that the energy of the explosion itself could have a significant effect on the weather.

Comparisons with natural phenomena suggest that the energy of an A-bomb, while tremendous compared with the energy of other man-made explosions, is relatively small compared with that of many natural phenomena. Even H-bombs, with energies several hundred times that of the nominal A-bomb, represent less than one one-hundreth of 1 per cent the energy of winds in the atmosphere.

So much for the various hypothetical suggestions given to us as a result of our poll.

Then there is another way of examining this question, and that is to compare the weather we have been having during the last few years with pre-atomic-age weather.

It may be argued that the weather is being modified by the A-bomb tests in spite of our finding no theoretical reason for believing this to be the case. It is therefore necessary to inspect climatic records to detect any changes in the weather that may reasonably be connected with the Nevada bomb tests.

Tornadoes: The climatic element most often sited as having been changed by the atomic testing program in the United States is the frequency of tornadoes. The number of tornadoes reported in 1953 (532) exceeded the previous highest annual total by more than 200. A careful examination of the system for reporting tornadoes reveals considerable improvement since 1950, with perhaps the greatest improvement taking place in 1953 and continuing into 1954; it is believed that much of the increase in tornado reports can be traced directly to these improvements in reporting.

A study of the relationship between areas of radioactive fall-out, or the presence of atomic clouds, and tornado occurrences reveals that there were relatively fewer tornadoes reported in areas of the atomic clouds or areas of large radioactive fall-out than in areas of relatively small fall-out.

Finally, it is of interest to note that the current spring has so far had about 50 per cent fewer tornadoes than in 1953, although there were twice the number of atomic explosions in Nevada this year than up to the same date in 1953.

Where Rainfall Has Been Short

Precipitation: Parts of the United States have been experiencing a severe precipitation deficiency in the last few years. A drought, which began slowly in the late 1940s in the Southwest and more recently in the Plain States, is now acute in an area northward from New Mexico and Texas. . . .

* * *

For example, 1941 was an exceptionally good year. About twice the average amount of rainfall fell in that year, but beginning shortly thereafter, in New Mexico there has been a persistent deficiency of precipitation, such that only two years since 1944 have been either at or slightly above normal, with all the rest below normal.

We note that beginning in 1950, which, incidentally, is the year before the beginning of the use of the Nevada proving grounds, we have had each year below normal, so that perhaps an average of 70 per cent of the average rainfall has occurred in the last five years in New Mexico.

Colorado had the beginning of a drought there emerging somewhat later than New Mexico. Their drought occurred somewhere around 1950.

Kansas began in 1951, and looking back in the previous years for these three States, we do find that there have been years of drought. For example, the State of Kansas in the '30s had a very persistent and prolonged drought—broken only by the year 1935—more persistent than the drought they are now having.

(Continued on page 108)

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. . . "Drought began before first nuclear explosion"

Colorado has had also persistent droughts, one around the turn of the century and the others in the '30s also. New Mexico has had droughts. The most severe would be back in 1892 and 1904, but none apparently as severe and as persistent as this one now in progress in that particular area.

It would be difficult to ascribe these droughts to nuclear explosions, inasmuch as the drought began some years before that nuclear explosion in New Mexico, at least.

Senator Anderson: That would indicate, Doctor, that the deficiency in Kansas now is as bad as the period in 1934 when the dust bowl developed out in that part of the world?

Dr. Wexler: Yes, sir; in fact, even worse if we took these three years. We cannot find any other group of three years in the Kansas record having such a deficiency of rainfall.

Senator Anderson: And the New Mexico situation starts really back in 1940 almost, and then just as persistent—steady from 1950 on.

Dr. Wexler: From 1950 on. Each year has been below the normal.

Senator Anderson: And the tests that started in Nevada were started in 1951.

IS THE PACIFIC CONTAMINATED BY H-TESTS?

Rumor: *Waters of the Pacific are noticeably contaminated, fish unfit to eat in some areas, as a result of H-bomb tests there.*

Fact:

- Extensive tests over the Pacific Ocean show the water definitely uncontaminated. The maximum contamination encountered anywhere over the ocean was well within the standards for drinking water; water is completely safe to bathe in.
- No evidence was found that fish have been poisoned or made inedible by contamination of the ocean water anywhere in the Pacific.

Source: Dr. John Buxher, AEC medical director

Dr. Wexler: Yes, sir.

Senator Anderson: So that was already in existence before that started.

Dr. Wexler: That is right. . . . We see for the country as a whole that the past three years have been deficient in precipitation, that is, 1952, '53 and '54; and there again we have had periods of deficient precipitation for the country as a whole before, in the 1930s, and around 1925; 1893 to 1905; but it appears for the country as a whole that these past three years have set a record as far as deficiency of precipitation is concerned. I do not see any three groups of adjacent blocks together which give as low value as the past three years.

Senator Anderson: Would it be possible that the use of the bombs in 1945 would have had that much of a delayed effect? It would just be impossible, would it not?

Dr. Wexler: Sir, I should think so. From everything we know about the mechanism of precipitation, any of the dust thrown up by that bomb would have been dispersed in very minute quantities, even if it did have some unusual potentialities.

Representative Hinshaw: The dust itself thrown up by the bomb should cause precipitation?

Dr. Wexler: Yes, sir, it should, if it is the right type of dust; that is, if it had properties of changing, or introducing ice crystals into a cloud.

° ° °

Representative Hinshaw: Presumably the moisture being raised from the ocean is just as much today as it was last year or the year before, and so it has to be dropped somewhere; but it is not being dropped, apparently, in the United States.

Dr. Wexler: That is correct.

Representative Hinshaw: But it must be being dropped somewhere else in the world. . . .

Dr. Wexler: That is probably correct, and the question is why is not it dropping in the United States.

. . . We not only need nuclei and moisture for rain, but we need storms to come by to lift the air up to cool it to the dew point and cause clouds of precipitation to form.

Weather patterns that we have been experiencing in the central part of the country have been such that the number of storms and the lifting mechanism necessary have been deficient. I do not believe it is a deficiency of nuclei; I believe it is a deficiency of the lifting mechanism associated with storms.

Representative Hinshaw: I read in the magazine *Science* that the thunderstorm was the equivalent of about 13 of the average atomic bombs.

Dr. Wexler: Thunderstorms do differ in severity.

Representative Hinshaw: Yes, but it is the equivalent in the energy release of about 13 atomic bombs of the Nagasaki type.

Dr. Wexler: Yes.

Representative Hinshaw: Therefore, the explosion of such a bomb in the United States would be like a small puff, almost, compared to the energy dissipated by one electrical storm.

Dr. Wexler: That is correct. . . .

° ° °

The World's Wind Patterns

Dr. Wexler: . . . Precipitation in the northern part of the drought area has been near normal during the current test series, but the southern portion is still suffering.

We do not know the ultimate cause of the persistent dry periods in certain localities. But it is known that the precipitation anomalies are part of a larger story—the broad wind patterns circling the globe. Accompanying the dryness over the central United States last summer, was an unusually wet area over England and Japan, for example. No acceptable theory has been offered to explain how the Nevada tests could have such a profound effect on the entire northern hemispheric circulation.

° ° °

Senator Anderson: As I gather, you fail to find anything in theory, and then when you check the facts you fail to find any facts to support the theory if there had been one, so you are reasonably well convinced that it has not been affecting the weather?

Dr. Wexler: Yes, sir.

Senator Anderson: You understand, there are a great many people who have been disturbed by this period of drought that your chart clearly indicates exists. They naturally would like to find an explanation and they would like to find a "fall guy" if they could possibly do so; and your conclusion is that it is just not there.

Dr. Wexler: No, sir. We have not been able to find any sign of it.

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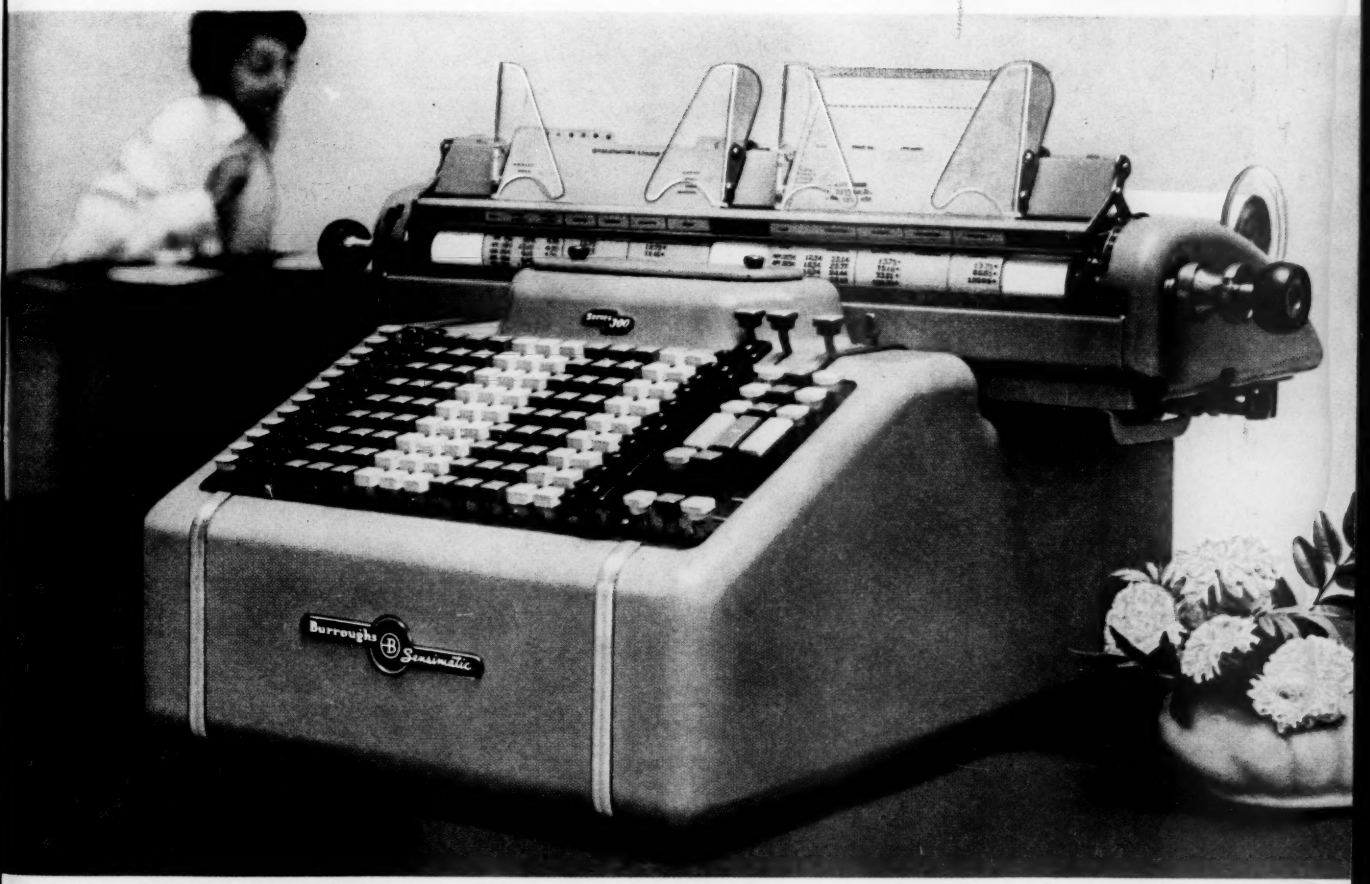

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UNIONS ARE STIRRING IN SOUTH

Wave of Strikes Tests Employers Again

Two big, stubborn strikes make people wonder what is going on down South.

Labor leaders claim that Southerners have shown more sympathy with rail and phone strikers than used to be the case.

Employers deny that the strikers have made friends.

Question now is whether unions are planning a serious drive to organize Dixie.

ATLANTA

Here in the Deep South, where strikes never have been much of a problem, there is a growing feeling that unions are beginning to spread their wings and test their strength. As a result, these questions are being asked:

> Is the South heading into a period of labor trouble? Are unions getting ready to push a new organizing drive? What are the chances of unions' getting a real foothold in this area that is attracting more and more industry from the North?

These questions grow out of two major strikes that have affected large sections of the South in the last month and a half. One strike, against the Louisville & Nashville Railway, stopped all the road's passenger service and much of the freight service in the 13 States the L. & N. serves. In the other strike, telephone workers employed by the Southern Bell system walked off their job in nine States.

Both strikes, by coincidence, started March 14, and both were accompanied by violence. In both cases, too, Governors of the affected areas joined in demanding that the strikers go back to work and submit their differences to arbitration.

Answers to the questions now being raised in the South were sought by a member of the Board of Editors of *U. S. News & World Report* in talks with Southern employers and union leaders. His report follows:

Union leaders, by and large, claimed more public support for their strike than they have received in most previous strikes in the South. Other unions seemed more eager to support them. There was talk of a general strike in Birmingham in support of the railroad workers, although it never came off. But steelworkers in Birmingham left their jobs in a one-day sympathy strike.

Employers watched the strikes closely for clues to union intentions and worker reactions. Some said they saw no indication that workers were any more favorable toward unions now than in the past. Others took the position that workers would almost surely be encouraged to join unions if the striking phone operators and railroad workers came out of the strikes with important gains.

The union view. Labor leaders, in supporting their claims of more public support for the strikes, cited several situations.

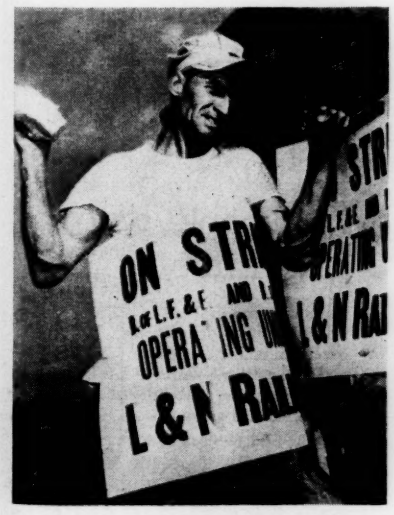
The mayor of one town, they reported, turned over his shady lawn as a resting place for pickets when they were not walking up and down in front of the telephone exchange next door. In another town, the wife of the chief of police was said to have marched in the picket line. Merchants also were said to be more co-operative than usual in many cities.

Ministers of one town in Tennessee were reported to have attended strike meetings, opening and closing them with prayers.

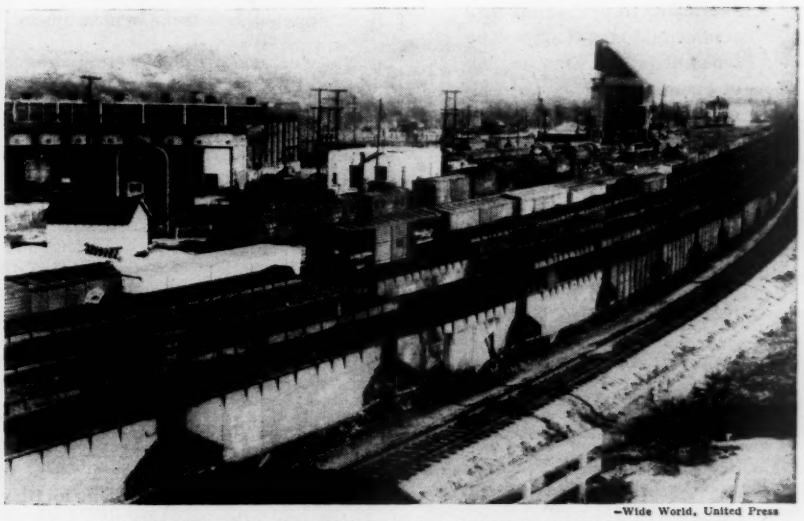
In some areas, college students took part-time jobs to fill in for striking telephone operators, but at least two universities advised their students not to take such work.

Police in many areas, labor leaders said, took a neutral position in the strikes, in contrast to some earlier strikes where police and pickets frequently clashed. There were arrests, however, in some cases of violence.

(Continued on page 114)



A SOUTHERN STRIKE...



...BROUGHT THE LOUISVILLE & NASHVILLE RAILWAY TO A STOP

—Wide World, United Press

Union leaders and employers disagree as to how the public reacted

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Labor Week

. . . gain in support of Southern strikes claimed

After outbreaks in Alabama, Governor James E. Folsom was asked to call out the National Guard. He investigated, but did not send out troops. In some earlier strikes, troops were called out by Governors of Southern States.

Support by the union members in a strike has been more important than the public's reaction in many earlier disputes in the South. Strikes have been lost by the union because the members refused to walk out or decided to return to work before winning a contract.

In the rail and phone strikes, leaders said, the union members supported the walkouts and declined to go back to work even when the picketing dragged on week after week. A union official stated that only about 1 per cent of the members quit the telephone strike, citing this as evidence that this strike had received much better support from the workers than had a 1947 telephone walkout.

—Black Star

JOSEPH A. BEIRNE
. . . a telephone strike in nine States

The employer view. Among some employers there was a feeling that the strikes were doing the union cause more harm than good, not only among workers the unions hope to organize, but, also, among union members themselves. Their reasoning was expressed by one employer when he said:

"Other Southern workers have seen how much these strikers have lost in wages. Whatever the strikers get in the end isn't going to repay them for those losses, and other workers will keep that in mind when organizers come around."

(Continued on page 115)

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. . . Unions do not plan second "Operation Dixie"

There was stress, too, on the fact that the telephone strike had caused very little interruption of telephone service—and, therefore, little inconvenience to the public.

"The public," said one employer, "hasn't shown much opposition to the telephone pickets because the pickets haven't stopped the telephone service. There isn't anything to be sore about." His point was that a union can't expect to make much headway with workers if it calls a strike that is ineffectual.

The point also was made that many of the telephone strikers were girls with fathers or husbands to support them, and the reaction would be different in a factory where workers were the sole breadwinners. These Southern workers, it was contended, would resist striking when their families needed their weekly pay.

Railroad workers were looked upon as being in another category. As one employer put it: "They have been organized for years and follow the orders of their leaders. Most Southern workers don't want to be in unions and would refuse to take orders from labor leaders if they tried to call strikes."

What concerned employers most was the possibility that the unions, in the end, might be able to claim a victory that would inspire other unions to boost their wage demands throughout the South. But most employers interviewed said they did not expect any sudden growth of unionism in the South as a result of the strikes.

A new organizing drive? No evidence could be found that the results of the strike were encouraging unions to put on another organizing drive in the South, such as the CIO's ill-fated "Operation Dixie" of a few years ago. That campaign met opposition from workers as well as employers.

Future attempts to "organize the unorganized," as union officials plan now, will be headed by Southerners and will be concentrated in a few key industries. The idea of descending on a community with large crews of organizers is to be abandoned.

Looking ahead, union leaders predict the strikes are to be followed by some increase in organizing activity in the South. This, they add, can mean more strikes if employers continue to resist unions as they have in the past.

In the railroad and telephone strikes, wages were not an issue. Here is what those two disputes were all about:

The L. & N. dispute. The strike was called by 10 unions representing 25,000

(Continued on page 116)

Your safety - assured by electronics

In emergencies, the outstanding reliability of Raytheon marine radiotelephones provides a sure link between you and the U.S. Coast Guard. Simple to operate and ruggedly constructed, these completely new models also keep you in touch with your home, office, and other vessels.

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. . . Wages not key issue in rail, phone strikes

"nonoperating" employes such as telegraphers, clerks, track crews and shop crafts on L. & N. and its subsidiaries. Crews who operate the trains refused to go through the picket lines, in most cases.

The original union demand, filed against all railroads in 1953, called for a health-insurance program financed entirely by the railroads. Last year, a presidential emergency board recommended that a program be installed, with workers and carriers each paying $3.40 a month for the insurance. Most other railroads then signed agreements on that basis.

The L. & N. took the position, however, that it would not force its employes to pay part of their wages for an insurance plan if the employes did not want to join in this national program. The railroad contended that its own insurance program—already in effect—was as satisfactory as the union-backed plan.

When the strike began, the union stated that it was seeking the original demand—an insurance program financed solely by management. The union argued that any arbitration proceedings should be based on the original demand, not on the compromise recommended by the presidential board.

Several of the operating unions last week issued formal strike calls in connection with the L. & N. dispute, in order to protect their members—who had been refusing to go through the picket lines of the nonoperating unions.

Telephone issues. The CIO Communications Workers, headed by Joseph A. Beirne, called the strike against Southern Bell Telephone Company after negotiations bogged down, mainly on nonwage issues. About 40,000 workers were involved in the walkout.

The company demanded that the union include a no-strike pledge in the new contract, pointing to 105 quickie strikes it claimed had been staged in the last few years. Union officials, in turn, demanded that the company agree to arbitration of all grievance disputes that might arise during the life of the new agreement. The union said no-strike clauses had to be accompanied by grievance machinery to handle disputes.

The company said that it was willing to arbitrate most grievance cases but would not include questions that involve important management decisions.

Before the strike began, the company offered raises of $1 to $4 a week. The union also was seeking to eliminate or reduce the differentials between Southern and Northern pay scales in the telephone industry.

(Continued on page 117)

ARE YOU A "Big Spender" --TOO LATE?

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Most Raises: 4 to 6 Cents

Recent wage settlements show little deviation from the increases of 4 to 6 cents an hour that have been the most popular so far in 1955 in a wide variety of industries.

Lever Brothers gave increases of 6 cents an hour to the AFL Chemical Workers and to the CIO Oil, Chemical and Atomic Workers. The raise was one of the first received by the newly formed CIO affiliate, headed by O. A. Knight. This union was formed by merger of two CIO unions in the field.

Armour Laboratories, at Kankakee, Ill., gave a raise of 5 cents an hour to

–Black Star

CIO'S O. A. KNIGHT
For a new affiliate, a raise

the AFL Chemical Workers, as did Buckeye Cotton Oil Company, Louisville, Ky. Raises of 6 cents were given by several other firms.

The Fort Worth plant of Convair, a division of General Dynamics Corporation, granted raises of 6 through 8 cents an hour to 1,200 employes represented by the AFL Office Employes International Union. A cost-of-living clause was dropped.

The International Resistance Company and CIO's Electrical Workers reached an agreement on a wage-guarantee plan that the union called an "annual wage" and the company termed an "unemployment insurance fund."

A pay raise of 9 cents an hour was granted by the company, but it is to go into a trust fund to be used for payments to workers laid off in the future.

The railroad that runs by the customer's clock . . .

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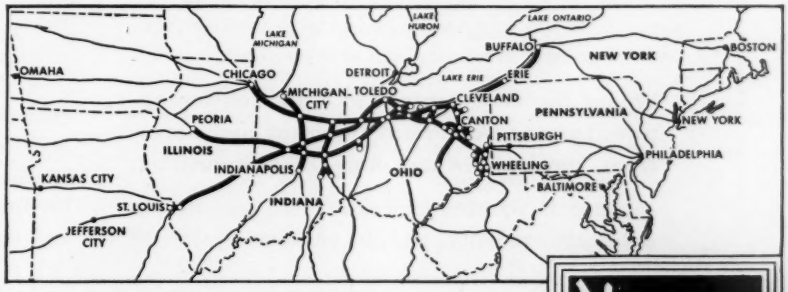

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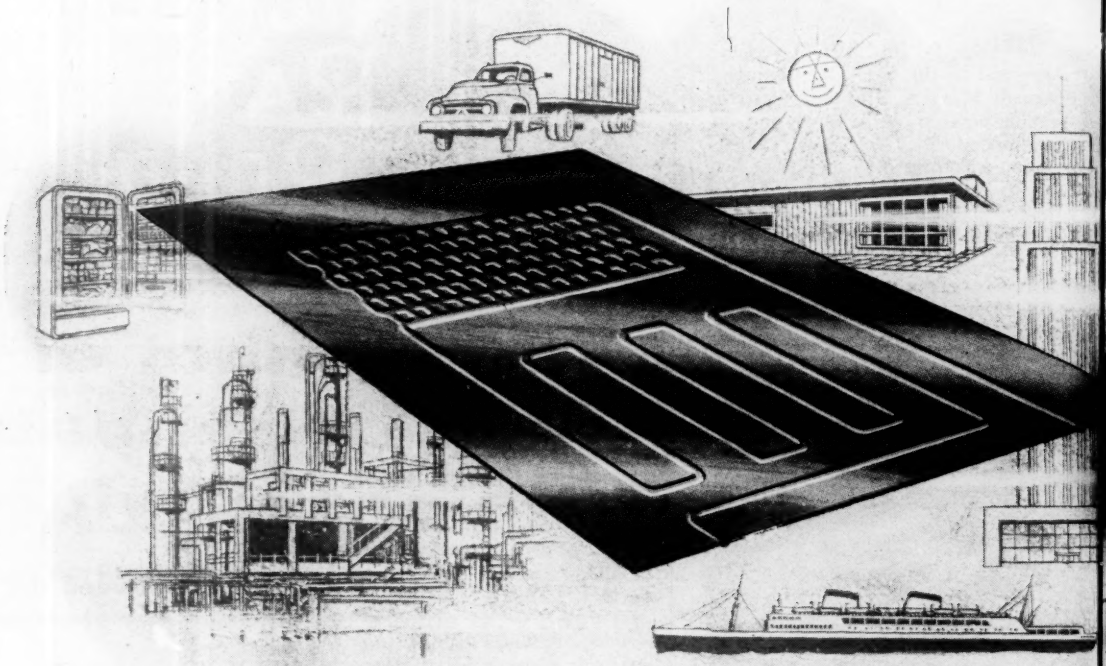

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Where this new concept in heat transfer applies in transportation, chemical and petroleum, construction and many other industries:

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Refrigerator evaporators now being produced by Reynolds for the appliance industry point up the advantages of *Tubed Sheet*. Here are some already proved benefits:

Greater freedom in tubing pattern designs

Greater efficiency because there is no loss in conductivity as tubing is integral to sheet

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Greater strength because there are no tubes to pull away from sheet—passageways can be flat or oval and placed closer together for extra rigidity

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"One day the Detrex man mentioned that metal cleaning and surface preparation represented from ¼ to ⅓ of the operations in most metalworking plants. Well sir, I just didn't believe him and took a count to prove him wrong—only I didn't! In fact when I think of the money I lost because I paid so little attention to the importance of these operations, I could really cry.

"In our plant over a quarter of the operations performed fell into one of these two categories. As a result, this metal cleaning business represents big money to us every year—even small savings on each operation represents mighty big savings overall. And mister, Detrex cut our costs on nearly every one.

"Take our phosphate coating operations prior to painting as an example. Detrex Paintbond is saving us hundreds of dollars per year because it goes so much further. At the same time Paintbond gives us a finer crystalline coating and thus a smoother, more lustrous paint finish. Salt-spray tests?... better than ever.

"If you've never stopped to count the number of metal cleaning and surface treatment operations in your plant (or the money you might save on them) chances are you'll be shocked.

"Tell you what—the Detrex man in your territory will make the same kind of a survey in your plant. Why not give him a crack at it? You don't owe him a plugged nickel if he doesn't prove his point. What if he does?, you ask. Then he'll sell some chemicals and/or equipment and you'll save BIG dollars. How about giving it a whirl, today? You have everything to gain, nothing to lose."

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We've Been Asked:

WHAT TARIFF FIGHT IS ABOUT

- There's another fight on in Congress over White House powers to cut tariffs.
- Some want to extend present foreign-trade rules; others would write in restrictions.

What is Congress being asked to do about tariffs?

Congress is being asked to extend for three years the President's powers to cut tariffs. More specifically, Congress is being asked to continue, to June 30, 1958, the authority of the President to negotiate tariff reductions with other nations under the reciprocal trade program.

Is Congress probably going to give the President this power to cut tariffs?

Congress is very likely to extend the reciprocal trade program in some form. There are many amendments being proposed, however, and a long fight is expected when the measure reaches the Senate floor. Changes seem probable in the bill as it now stands. Some members of Congress would like to see the President's tariff-cutting powers limited.

Where do things stand now?

Present law allows the President to reduce rates by as much as 50 per cent of the 1945 levels. The House has passed a bill to extend this program with changes. The Senate Finance Committee made some changes in the House measure and, by a small margin, voted down a proposal that would have provided for only a two-year extension.

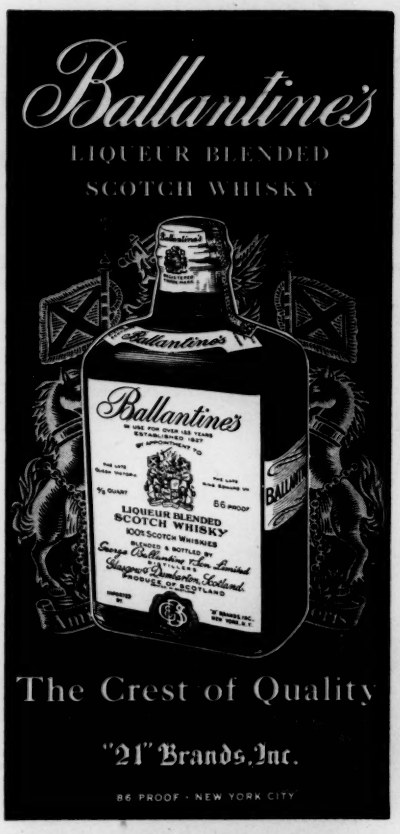
If the program is extended, can there be big cuts?

Under one plan, most existing tariffs can be reduced. But there are some limits on the extent of cuts.

What variations of the present law are proposed?

Under one, the President could cut tariff rates in stages of not more than 5 per cent in each of three years—a total of 15 per cent. The House and the Senate Committee differ, however, on whether these cuts should be based upon 1955 rates as of July 1 or of January 1. Under another proposal, the President could negotiate reductions in rates that are higher than 50 per cent of the value of an import. Another proposal would permit reduction in tariffs by 50 per cent of

(Continued on page 121)



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1945 rates for certain little-imported items. This last method was approved by the House, but was dropped by the Senate Committee.

What is the argument about? Why are the cuts favored?

A number of arguments are advanced, some of them the traditional ones given through the years in favor of lower tariffs. It is contended, among other things, that lower rates would stimulate foreign trade, permit more imports and give foreign nations more dollars with which to buy American goods. It also is argued that increased foreign trade would help the economy of the free countries.

What are the arguments against cuts?

Opponents say that lower tariffs open the way for a flood of imports of cheap foreign goods, many of them produced by low-cost labor; that this tends to put U. S. industries at a competitive disadvantage, even threatening some with ruin, thus often throwing American workers out of jobs. Among opponents are some producers of textiles, glassware, chemicals, watches, oil and coal, electrical goods and metals.

One of the bitterest fights for restrictions on an import comes from a group that claims imports of foreign oil are causing unemployment in U. S. coal mines. They favor limiting oil imports to 10 per cent of American consumption. Some members of Congress, with support of the State Department, are opposing such quotas.

Are other safeguards provided to protect U. S. industry?

Yes. There are safeguards in present laws, with some proposals to strengthen the provisions. These involve the "escape clause" and the "peril point" provision.

In simplest terms, the "escape clause" provides for withdrawal or modification of a tariff concession when a domestic industry shows serious injury, or threat of serious injury, because of increased imports. The Tariff Commission, when it finds that there is such injury, or threat of it, can recommend a higher tariff. The President can accept or ignore the Commission's recommendation. One proposal would make it impossible for the President to override the Commission's findings in such cases except where national security is involved.

Another requirement under present law, being retained, provides for the Tariff Commission to determine the "peril point"—the limit to which tariffs may be reduced without causing or threatening serious injury to a U. S. industry. The President doesn't have to abide by the Commission's limit.

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A GROWING number of industries have found Mosinee's more than a quarter century of experience particularly valuable in helping to develop special papers to perform specific functions. They've discovered that Mosinee special papers help complete their product or processes faster, easier and usually at less cost.

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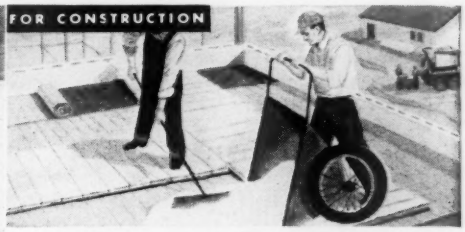
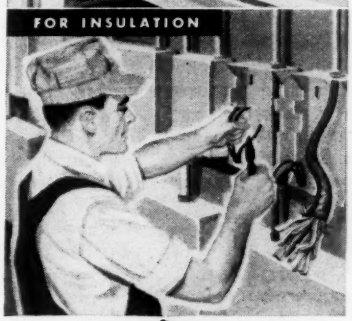


Mosinee patented paper forms cut costs, simplify building. Lightweight, easily transportable Mosinee slack-sized, reinforced papers now replace wood and other materials as forms for concrete pouring. This is only one of many instances in which Mosinee cooperates in originating new papers to improve processing or production.



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Cable wrap of special Mosinee paper goes on easier, lasts longer. Made to manufacturers' and UL specifications, Mosinee moisture resistant, extra-tough cable wrap offers a plus value. Specialized Mosinee production controls insure perfect uniformity, minimize crushed or cracked edges common in high-speed wrapping operations.

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More Millions Wasted:

TOO MUCH FOOD AND CLOTHING

Hoover Commission Tells How Military Could Save Big Sums

In the military stockpiles—

• Army has 1.4 billion dollars' worth of new clothing on hand—including a 10-year supply of WAC uniforms.

• Navy's shelves hold a 60-year supply of canned hamburgers, at the rate now used.

These are two examples of what the Hoover Commission found in checking Defense Department handling of food and clothing.

Conclusions: Buying methods often are archaic; distribution haphazard, unrealistic. A switch to up-to-date business methods, better management can save U. S. taxpayers about 340 million dollars a year.

Following are extracts from "Food and Clothing in the Government—A Report to the Congress" by the Commission on Organization of the Executive Branch of the Government, released April 25, 1955:

Dimensions of the Problem

Food and Clothing Activities in the Federal Government

The large outlay involved in furnishing the food and clothing to over 3,000,000 men in the Armed Forces is indicated by the average of the 1954 fiscal year expenditures and 1955 fiscal year appropriations [about $1,292,000,000]. . . . These sums do not include the cost of the necessarily huge management staff or most of the transportation, storage, and other charges. The total expenditure involved is much larger. . . . In addition, the total inventories of food exceed $200,000,000 and clothing $2,700,000,000.

The dimensions of the problems involved are better illustrated by the fact that the services must provide about 10,000,000 meals every day and that they must provide at least 7,000,000 complete sets of clothing and other apparel each year while holding further amounts in reserve. Our soldiers and sailors are well fed and well clothed. The major problem before us is whether by an improved system of management the service can be made to weigh less heavily on our already overburdened economy.

° ° °

Methods of Purchase

The Congress, by the Armed Services Procurement Act of 1947, permitted agencies to depart from the long existing practice of requiring competitive bidding on all purchases. It provided for several instances in which procurement by negotiation would be permitted, and established certain basic requirements for the use of that method.

° ° °

It is significant that some nonperishable foods have been purchased by negotiation under emergency powers granted the President after the outbreak of the Korean War. The task force states that the use of the negotiation method under these emergency powers saves approximately $4 million per annum in the nonperishable subsistence field. However, expiration of the emergency powers will necessitate a return to the "advertisement and bids" method. Savings in the same or larger proportions could be obtained on clothing as well as on nonperishable food.

The task force . . . notes that the cost of operation of the "advertisement and bids" method has greatly increased with the growth of Government needs. Moreover, the invitation to bid is a formal and voluminous document containing much legal detail, running as high as 25 pages and involving much expense in administration and distribution.

In 1 year following advertisements for bids on clothing, 202,000 invitations, with specifications and terms as to requirements, were sent out. Only 28,483 were acknowledged, and 7,947 bids were received, a little over 3 percent.

° ° °

Another problem in the "advertisement and bids" method arises from the nature of the clothing manufacturing industry. The chamber of commerce reports that in New York City more than 5,000 establishments went out of business in 1 year and that of 5,000 new shops opened up, many were the old establishments under new names. By "advertisement and bids" the Government attracts the marginal operators, as many large manufacturers do not wish to disturb their civilian trade. Delinquencies in marginal shops are common, and bankruptcies force the Government to recover large quantities of cut cloth to be put together at a great cost and delay. The authority of the agencies to reject unreliable bidders is not clear in the law, and there is conflict in action by different agencies.

The task force summarizes the advantages of the "notice of intent to purchase and negotiation of contract" method as applied to food and clothing as facilitating cheaper purchase where a short supply of a commodity exists and the "advertisement and bids" method raises prices and aggravates sensitive markets. . . .

° ° °

The task force suggests that the law be amended to permit all food and clothing to be secured by the "notice of intent to purchase and negotiation of contract" method.

° ° °

Rotation Methods

Our task force states that the rule of *first in, first out* exists but that it is not being obeyed in certain naval warehouses

. . . "Enough canned beef and gravy for 79 months"

due to lack of surveillance inspection. It found much material that was overstocked and overage.

The task force found that the 14 naval supply depots in the United States (which held both mobilization reserves and operational stock) had on hand in 1954, 886,020 pounds of canned hamburger. Of these, 97,643 pounds were bought in 1950, 221,638 pounds in 1951, 289,658 pounds in 1952, and 277,081 pounds in 1953. At the present rate of consumption of 1,233 pounds per month, this supply would be enough for 719 months [60 years].

Similarly, the task force found in these same depots 1,330,026 pounds of canned beef and gravy. This was bought as follows: 27,291 pounds in 1948, 1,989 pounds in 1949, 42,240 pounds in 1950, 794 pounds in 1951, 636,242 pounds in 1952, 479,670 pounds in 1953, and 145,800 in 1954. At the current rate of consumption of 16,898 pounds a month, this would be enough for 79 months.

These depots have 721,123 pounds of canned ham chunks acquired as follows: 36,180 pounds in 1950, 210,600 pounds in 1951, 190,143 pounds in 1952, and 280,200 pounds in 1953. At the current rate of consumption of 9,641 pounds per month, this could be adequate for 75 months. The manual of the Bureau of Supplies and Accounts of the Navy states that the estimated keeping life of canned meats and poultry is 24 months at an average temperature of 40 degrees F. and 12 months at 90 degrees F. Significantly, until the study of the task force, the Navy had no information on the age of its overall stocks of foods.

In addition, the task force was advised by the provisions supply office of the Navy that it had no program for utilization of excess and overaged operational rations and that the custom had been to throw them overboard after they had passed the allowable life. The task force states that according to the Bureau of the Budget the value of these rations aggregated $9,928,720 as of August 1954.

The Commission understands that practice was abandoned after discussion of the matter with our task force representatives and use has been found for these rations.

Lack of Obedience to Defense Department Directives

The task force insists that there is a lack of obedience by the services to the Department of Defense directives and cites the following examples:

A Defense Department directive of January 1953 established a 4-months' inventory of green coffee beans at each roasting plant. An inspection of the Army roasting plant at Seattle showed an inventory of 9-months' supply of green coffee and a 3-months' supply of roasted coffee. Fort Carson, Colo., received from the Ogden General Depot a shipment of 90,000 pounds of dry white beans, and consumption was less than 5,000 pounds of white beans per month.

The task force states that a survey by the Department of Defense staff concerning subsistence supply was completed early in 1953. In April of that year joint agreement by the Army and the Navy was made for cross-servicing of nonperishable subsistence storage. The first such cross-servicing arrangement was made for the Naval Air Station at Corpus Christi, Tex., to be supplied from the Army depot at San Antonio, and this arrangement is working successfully.

Despite this, no further similar arrangements have been made. In fact, the task force points out that the Navy even has opened a new distributing point at New Orleans in March 1954 which is providing nonperishable subsistence for Navy installations at such places as Memphis and Dallas. Significantly, the naval air station at Memphis is but a few miles from the Army depot in the same city, and the naval air station at Dallas is not many miles from the Army depot at Fort Worth. According to our task force, these servicing arrangements seem to be inconsistent with Department of Defense Directive 4000.8. After studying the problem, the task force deprecates the attitude of the Department of Defense on this matter.

–Department of Defense

GOVERNMENT ISSUE

Also: a ten-year supply of women's uniforms

This lack of obedience to directives continues despite a specific provision in DOD Directive 5025.1 (February 2, 1954) . . . .

The Ration and Servicing at the Mess Level

The base of all estimates of needed supplies is the ration—in military parlance, the food issued to 1 man for 1 day. The variety of foods needed, the volume to be provided, and the whole train of inspection, transportation, storage, issue, and preparation have for their end result delivered food at the mess level.

But there is wide difference between the services, both as to the method of determining the size of the ration and its composition. The Army and Air Force have one ration, the Navy a different one, and the Marine Corps still a third.

The Congress has long concerned itself with these matters. In the Army, the determination of the ration was delegated

. . . "Preparation and serving of food is weakest link"

in 1901 to the President. The Army ration is based on a monetary allowance. The Navy ration was in 1933 specifically determined by the Congress as to the kinds and quantities of food in the ration. This ration in kind was modified during World War II; but the previous method has since been restored except for smaller bases and ships where it is issued on a monetary basis. The Marine Corps ration is under the same law as that of the Navy. There is no legislative base for the Air Force ration, but by agreement it has adopted the Army ration. However, in June 1948, the Congress authorized a supplemental ration to personnel engaged in active air operations.

The difference in the two major rationing systems is indicated by a study of our task force which showed that, reduced to a cost basis, the Navy ration exceeds that of the Army and the Air Force. Sampling of the two services at Corpus Christi showed that the Navy ration cost was $1.54 compared to $1.07 for the Army, and at Newport, R.I., the Navy ration cost was $1.34, whereas the Army's cost was $1.05.

The effect of the difference of ration on supplies is illustrated by the following comparison of the ration factors, showing number of pounds per 1,000 rations of several basic food items for consumption within the United States:

	Army *Pounds*	Navy *Pounds*
Irish potatoes	532.60	824
Beef	372.05	392
Lamb	8.63	4
Eggs	237.70	109
Frankfurters	30.41	25
Sugar	220.71	173
Canned tomatoes	36.68	89

Why the Navy allows about 50 percent more potatoes than the Army, or why the Army allows more than twice as many eggs as the Navy in rations is not understandable. Neither is it understood why the Navy includes twice the amount of canned tomatoes as the Army.

At no time is the ration in any service inflexible. It is adjusted to meet the needs of missions, locality, and climate and to provide variety. All the services maintain a staff of dietitians to prepare a variety of master menus to be used at the mess level. However, 90 percent of supplies are issued from basic rations.

Various efforts have been made to establish a uniform basic ration for all the armed services and with it a uniform series of master menus. This would make it easier to estimate needs, maintain inventories, control stocks, and it would simplify accounting and produce economy generally.

The task force, after examination in the field, was of the unanimous opinion that the Army ration and method should be applied to the Navy and Marine Corps.

It held that the master menus should be mandatory, if proper procurement, storage and service at the mess level were to be had. It commends the service of the quartermaster general of the Army for having better controls than the Navy.

Food Preparation and Service at the Mess Level

The whole purpose of the subsistence supply system is to provide proper meals for the armed personnel. The actual preparation and serving of food is, however, the weakest link of the chain of subsistence activities. The cause of this weakness is traceable to an organizational misconception. It is predicated on the concept that at mess level, the preparation and serving of food is considered to be a command function and that this function can be divorced from all of the antecedent activities of the supply chain.

The food procured for the Armed Forces is of good quality. Although there has been much improvement over methods used at the close of World War II, the preparation and service of food in all the services are still below acceptable commercial standards. Our task force finds that (a) there is no single authority and responsibility for management and the assignment and training of personnel; (b) there is a loss of nutritive value and palatability because food remains too long in storage; (c) there is inadequate preparation and service; (d) there is inadequate organization; (e) personnel is inadequate; (f) training is inadequate; and (g) facilities are inadequate or poorly arranged.

° ° °

Commissary Stores

The Commission, as directed by the Congress, will make a comprehensive report on the Federal agencies which compete with private business. But it may be mentioned here that the commissary stores of the military services constitute a large operation. Congress, in 1866, authorized the Army to establish commissaries at isolated installations to sell food to the troops at cost.

Although the law clearly provides for commissary stores at remote locations, these stores have been opened in many cities. In order to limit their number, Congress since 1949 has provided that commissary stores should be operated only where other stores either were not available within a reasonable distance or did not sell food at a reasonable price. These rules have been stretched extensively, to say the least.

In 1954, the armed services operated 199 commissaries within the United States. Their sales totaled $188 million. They had 7,411 employees of whom 4,084 were uniformed personnel, and they had a payroll of $16,800,000. The operation of these stores cost the Government in 1954 at least $18 million more than they took in from sales.

Outside of the United States the armed services operated 239 commissary stores with total sales of $117 million, making a total of 438 stores with total sales of $305 million.

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Operational Supplies and Mobilization Reserves

The Armed Forces maintain two types of supply: operational supplies and mobilization reserves.

Operational Supplies

On June 30, 1954, the Army inventory of operating stocks of apparel was $464,300,000 and the reserve stocks were $837,362,000.

At the very outset of the study, the task force found there were too many depots and tremendous quantities of depot stocks which far exceeded the operating levels set by the services.

The following clothing items indicate excessive operational stocks as of 1954 and do not include reserve stocks:

	Year's supply
Army:	
Caps (garrison wool serge)	2.8
Caps (garrison wool taupe)	4.4
Shirts (women's serge wool taupe)	9.9
Women's uniforms (wool serge taupe)	10.6
Navy:	
Jumpers—Blue (not dress)	9.3
Trousers—Blue	8.1

. . . "Dollar cost could be reduced by 10 percent"

	Year's supply
Marine Corps:	
Coats—Green	3.2
Trousers—Green	3.5
Air Force:	
Coats—Blue	3.6
Jackets—Blue	5.3
Trousers—Blue Wool	3.6
Overcoats—Blue	4.2
W.A.F.:	
Jackets—Wool	4.9
Slacks—Wool	4.5

Several reasons were given for these excessive operational stocks:

(a) Upon the cessation of hostilities in Korea, all services found themselves committed to procure large quantities of clothing in the face of reduced demands. They found it cheaper to accept and store them than to cancel outstanding contracts.

(b) The Air Force bought its new blue uniforms on a troop strength and replacement rate that never were realized.

(c) The Army bought women's clothing based upon a strength of 30,000 and this strength never exceeded 15,000.

(d) At the same time that the Services were trying to reduce their excess stocks, the program for mobilization reserves was being developed. This resulted in stocks over and above current operating requirements.

The task force found a complete lack of concern at depots over apparent excess stocks. At one very large depot the issues had never been analyzed by the depot staff.

° ° °

Mobilization Reserves

The mobilization reserve is based on the assumption that general mobilization will bring millions of men into uniform in a very short period and that normal stocks and industry production will be insufficient to provide uniforms during the first few months. By computing what the needs will be and deducting all available stocks and production, the services arrive at the maximum shortage that will occur and stock a reserve supply to meet this shortage.

As of June 30, 1950, the services had over $1½ billion in clothing and equipage stocks identified as mobilization reserve and yet as late as September 1954 the Joint Chiefs of Staff had not yet completed their plan for the number and type of units to be deployed and the Joint Logistics Plan Group was still "developing the plan's broad logistics implications." Yet the services are holding and even procuring mobilization reserves without this very basic foundation for computations.

The task force states that with a clothing inventory in the Department of Defense of nearly $2,700,000,000 a reduction of $1,350,000,000 is possible, with an annual saving of over $30 million in interest and another $3 million in warehousing, etc., or a total of $33 million in this one category alone.

Once the basic strategic plan can be stabilized, the Department of Defense has very comprehensive formulas and instructions for the computation of quantities required in reserve. Experience to date indicates a need for "tightening up," the instructions to eliminate wide variations in "judgment factors."

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Requirements

The policies regarding stock levels are not uniform among the services.

Department of Defense Directive 4000.8 of November 17, 1952, states that stock levels shall be maintained at the lowest practicable level and be uniform between military departments where similar conditions exist.

However, 2 years after this directive, the policy of each of the services for maintaining clothing stocks is as follows:

Service	Depot stock	Station stock	Total
	Days	*Days*	*Days*
Army	90	45	135
Air Force	180	90	270
Navy	180	60	240
Marines	150	°90	240

°Plus 2 months resupply for each tactical unit ready for shipment with the unit in case of emergency.

Costly as this peacetime pipeline is in both investment, storage and maintenance, it is even more startling in contemplation of full mobilization. Assuming that both the Air Force and the Army have a peacetime demand for 100,000 trousers a month, the Army would maintain 350,000 in the pipeline and the Air Force 900,000. Assuming full mobilization triples the monthly demand including initial issue, the Army would carry a stock of slightly over 1 million while the Air Force would require almost 3 million to supply the same number of servicemen.

The stock levels proposed by the services pursuant to the directives of the Secretary of Defense are not enforced. At one base many of the common items of clothing were 10 times the average monthly issue even though the authorized stock level was 3 months. At another base, winter clothing was being maintained through summer at the peak winter issue rate.

° ° °

Savings

In preparing the attached letter on savings, the task force has proceeded on the following assumptions:

(1) That the dollar cost of purchases of food and clothing could be reduced by 10 percent.

(2) That the overhead costs of planning, procurement, shipping, storage, control and expenses incident thereto are equal to 100 percent of the dollar cost of purchases of food and clothing.

(3) That the cost of items mentioned in (2) above could be reduced by 10 percent.

April 11, 1955

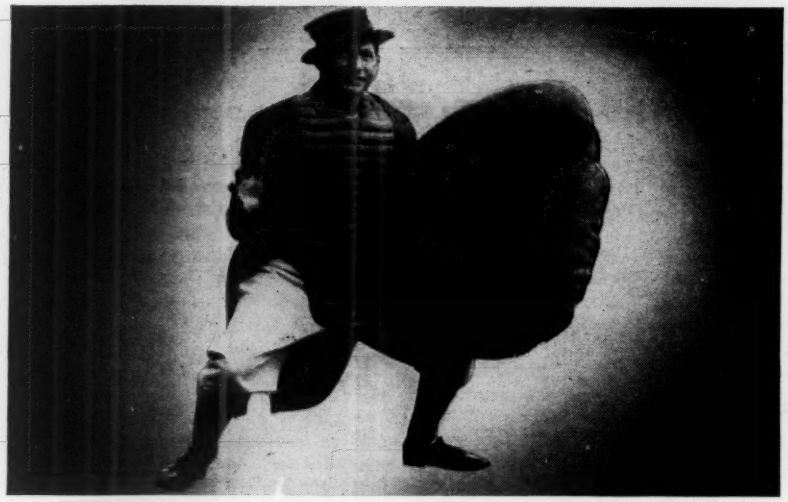
THE HONORABLE HERBERT HOOVER, *Chairman, Commission on Organization of the Executive Branch of the Government.*

DEAR MR. HOOVER: The final report of the Task Force on Subsistence Services has been submitted and reviewed by the Commission.

° ° °

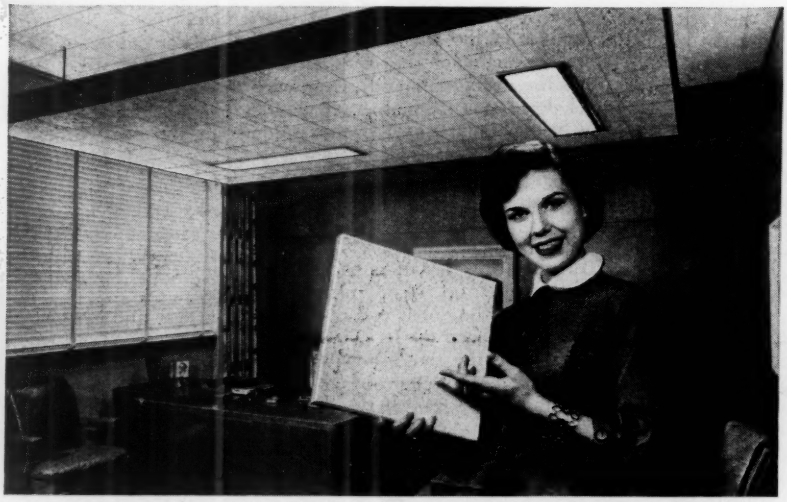
The attached sheet indicates the savings that could be realized based on the actual expenditures for the fiscal years 1951, 1952, 1953, and 1954 for the procurement of food and clothing and all other costs attendant to these expenditures would have been an average annual saving to the Federal Government of $340,024,400.

Sincerely yours,
JOSEPH P. BINNS,
Chairman, Task Force on Subsistence Services.



Al Schacht didn't have to talk. Without a sound, baseball's "clown prince" had the grandstands roaring at his famous pantomimes*. If everyone were as quiet as Al, there'd be little need for sound-conditioning. But people *do* talk—and in offices, especially, there's the added clatter of typing, and the jangle of telephones. Nerves get frayed, efficiency drops. The solution? A Gold Bond Acoustical ceiling.

**As described in his new book, "My Own Particular Screwball".*



Gold Bond ceilings cure office tension. Gold Bond ceiling tiles (shown above) soak up noise like a sponge, make offices quieter, more pleasant to work in. And they're good looking, too, resembling expensive imported travertine stone. Lightweight, easy to install, they can be repainted again and again without loss of sound absorption. Include Travacoustic in *your* office remodeling plans.

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NEWS-LINES

WHAT YOU AS A BUSINESSMAN ☑ CAN and ☒ CANNOT DO

as a result of recent court and administrative decisions

☑ **YOU CAN** bring a suit against the Government for a ***tax refund*** more than six years after you claim the overpayment occurred. The U. S. Court of Claims holds that the six-year time limit for suits in this Court does not apply to tax-refund cases. A suit must be started, however, within two years after the refund claim is rejected by the Commissioner of Internal Revenue.

* * *

☑ **YOU CAN** sometimes give your employes a pay raise during a ***union's organizing drive*** without violating the Taft-Hartley Act. The National Labor Relations Board finds that an employer was within his rights when he granted wage increases in order to retain skilled mechanics who were hard to replace.

* * *

☑ **YOU CAN,** as a Government contractor or subcontractor, forego filing a financial statement for a fiscal year starting in 1954 and ending in 1955. These reports are discontinued by the Renegotiation Board pending the possible revival by Congress of the ***Renegotiation Act,*** which expired December 31.

* * *

☑ **YOU CAN** get a certificate of necessity, authorizing a rapid tax write-off, if you want to expand your company's facilities for producing ***electric power.*** In reinstating the expansion program, which was suspended in 1953, the Director of Defense Mobilization says his office will begin immediately to process applications for certificates.

* * *

☑ **YOU CAN** sometimes treat as a nontaxable gift the ***retirement pension*** that you receive from your former employer. A court of appeals refuses to upset this tax treatment in a case where a retired worker showed that his former employer had no pension plan but makes payments voluntarily when the retirement is to the employer's advantage.

* * *

☑ **YOU CAN** continue to export ***copper and steel scrap*** under the same rules as heretofore. The Commerce Department says there will be no change in these rules during the present quarter.

☒ **YOU CANNOT** apply for a license after June 7 to export ***aluminum scrap*** in the second quarter. This deadline is fixed by the Bureau of Foreign Commerce.

* * *

☒ **YOU CANNOT** legally make an agreement with a union that you will hire only workers who get permits and clearance from the union. NLRB finds that an employer operating under terms of such an agreement was guilty of a ***Taft-Hartley violation*** when he told a job applicant that he would have to get a union permit and clearance from the union.

* * *

☒ **YOU CANNOT** safely tell a ***union leader*** in your plant that you are going to "make it tough" for him and perhaps cause him to quit his job. The Labor Board holds that an employer, by making such statements, threatened the employe in violation of the Taft-Hartley law.

* * *

☒ **YOU CANNOT,** as a member of the wholesale ***plumbing and heating*** industry, safely disregard new trade-practice rules just issued by the Federal Trade Commission. Some of the rules are aimed at preventing or eliminating practices that might illegally suppress competition or otherwise restrain trade. The rules also prohibit discretionary prices, rebates, refunds, discounts and credits considered unfair trade practices.

* * *

☒ **YOU CANNOT,** as a farmer, get a price-support loan on your 1955 crop of ***wheat*** unless you meet minimum requirements established by the Food and Drug Administration. The Department of Agriculture announces that these Food-Drug requirements also will apply for 1955 wheat that is delivered under price-support purchase agreements.

* * *

☒ **YOU CANNOT** avoid an ***excise tax*** on amounts that you pay for the lease of a teletypewriter circuit and transmission facilities used in your business as a securities or commodities broker. The Internal Revenue Service rules that these amounts are subject to the excise tax imposed on leased teletypewriter service, rather than the lower tax imposed on wire and equipment service.

Conclusions expressed in these paragraphs are based upon decisions and rulings of courts and Government bureaus. In making their decisions, courts and bureaus consider many facts which, for reasons of space, cannot be set forth in detail. U. S. NEWS & WORLD REPORT, *on written request, will refer interested readers to sources of this basic material.*

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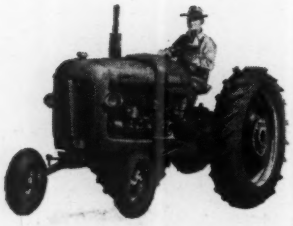

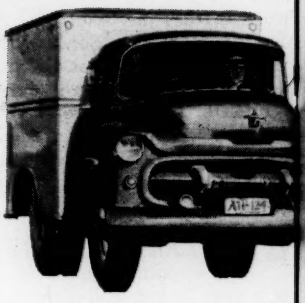

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ut everything that rolls!

rake" that gives your boy or girl 32% more stopping power and lets them edal easier because it has a two-shift transmission. It's called Bendix* ultiSpeed Coaster Brake, and every American bicycle maker now offers Make sure it's on your child's next bike because it is safer.

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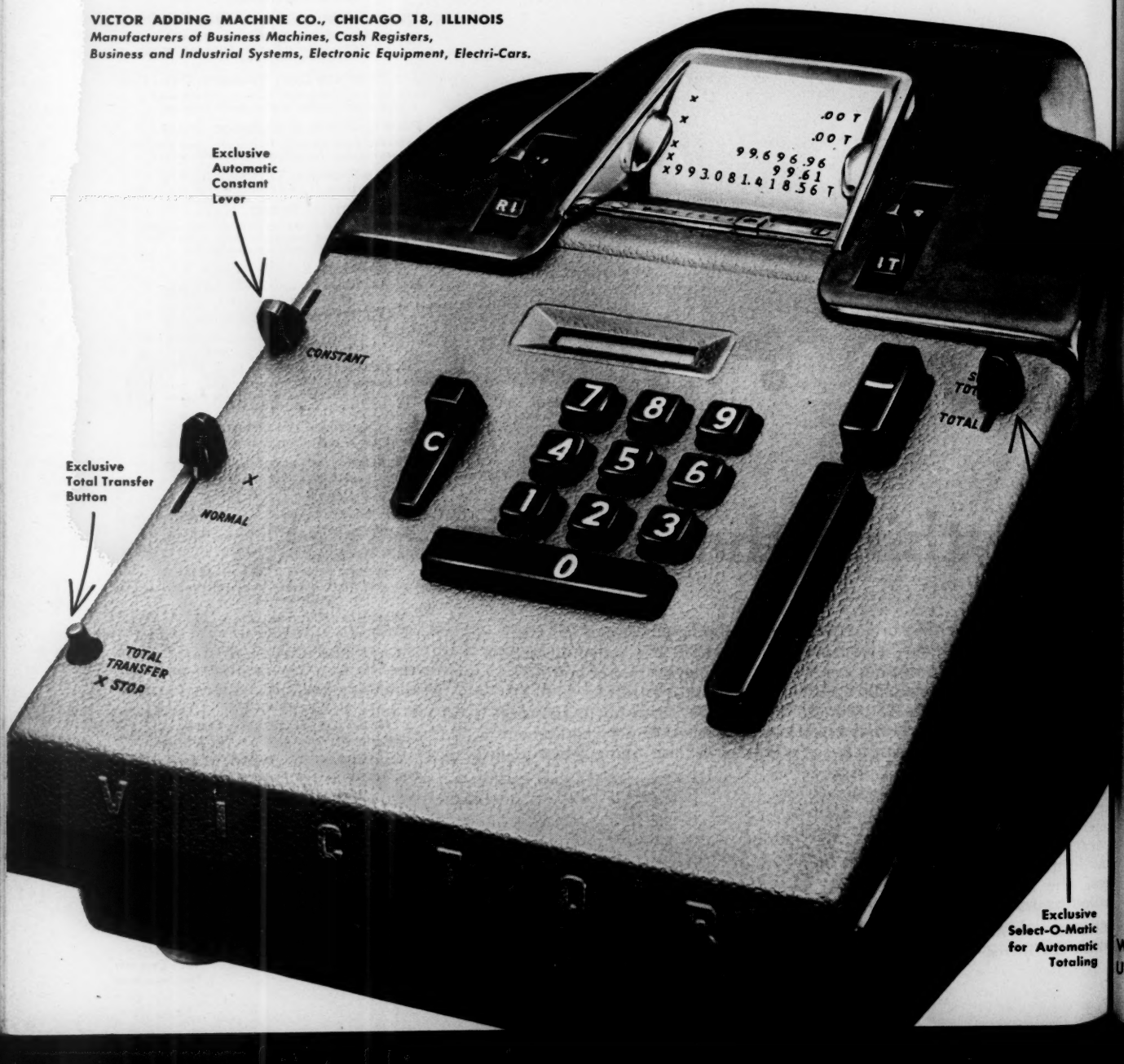

Trend of American Business®

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If you want a line on present prosperity, look at earnings reports.

Profits of corporations appear to be hitting all-time highs in many lines for the first three months of this year.

Stockholders, moreover, are told that earnings prospects are good, too.

Profits statements now being issued reflect the upturn in business in January-March. Since that time, activity has improved further. So, for the first six months of 1955, at least, profits, generally, are to be high.

A random sample of company reports discloses widespread optimism.

Reynolds Metals Company, aluminum, rang up a record first quarter and counts on business being just as good for the remainder of the year.

Chrysler Corporation tells stockholders that orders for cars stay high.

Libbey-Owens-Ford Glass Company reports sales and profits at a record.

U.S. Rubber Company also reports record first-quarter earnings.

Chas. Pfizer & Company, drugs and chemicals, had the best first quarter in the firm's 106-year history.

Textron, Inc., textile maker, earned more in the first two months of 1955 than in all of 1954, when the textile industry was in a slump.

Farm-machinery companies also report improved sales.

Coal-mining companies note some improvement, too.

These examples show how widespread the current improvement actually is. Business is good for producers of basic equipment, for manufacturers of cars and appliances, for makers of cloth and chemicals, for almost every line.

You get general confirmation of this trend from the National Association of Purchasing Agents. This group makes these findings for April:

"The current business picture retains its 'rosy' hue."

Increased production is reported by 58 per cent of the firms sampled.

A rise in orders is reported by 57 per cent of the group.

That's a better showing than the March figures. The purchasing agents find business activity at a new high since the 1950 Korean boom.

Used-car dealers, however, are having some trouble. Stocks are high. Prices are low. Sales are spotty. Basic trouble seems to be that credit on new cars is so liberal that a new model can be bought for about the same monthly payments that a used car requires. So buyers go for new cars.

Transportation policy is to be overhauled if recommendations of a Cabinet committee appointed by the President are carried out.

Basic idea is to change the emphasis on transport policy from regulation to supervised competition. That means less authority for Interstate Commerce Commission, more power to transport firms to change rates.

(over)

Written for the issue of April 29, 1955, Volume XXXVIII—No. 17
U. S. NEWS & WORLD REPORT

The committee, headed by Commerce Secretary Sinclair Weeks, reports that ICC regulation was started when railroads had a virtual transport monopoly. Now, that's all changed. The committee finds competition rather intense among rails, air lines, pipelines, bus lines, barges.

First notice of this policy was given in a Special Report that appeared in "U.S. News & World Report" in the issue of Dec. 17, 1954.

Original proposals have since been softened. There's no mention in the final report of permitting mergers between rails and truck lines, ships or air lines. Nothing is said about taxes on freight and passenger fares.

Here, in capsule form, is what the Cabinet group recommends:

Limit ICC to fixing minimum and maximum freight rates, passenger charges.

Let competing transport systems set their own rates within these limits. That means more freedom of railroads and trucks, for example, to compete for business, so long as minimums fixed by ICC rules are observed.

Modify the "long-and-short-haul clause" to allow rail and water carriers to charge less for long hauls than for short hauls to meet competition. The report would permit this practice without prior approval from ICC.

Shorten the time limit from seven months to three months during which ICC may suspend rate changes proposed by railroads or other carriers.

Give carriers authority to charge lower rates for big-volume shipments.

Force contract carriers, who handle shipments for specific customers, to publish their rates in the same form as common carriers, who serve all comers.

ICC still would retain power to prevent rate discriminations, or to make excessive charges where competition is not effective. ICC also would get power to overrule State commissions that require continued unprofitable services.

Remember, these proposals are far from adoption. Truckers and steamship lines contend that they favor railroads. A number of Congressmen agree. It will take a vigorous fight to change present transport policy.

Farm outlook, officially appraised, still leaves farmers outside the boom that now is promised to other businesses and city dwellers.

Farm prices are expected to stay close to present levels. They are down about 5 per cent from a year ago.

Net income of farmers may drop by 5 per cent from 1954 to 1955, too.

Farm difficulty comes from large production. Department of Agriculture sees farm output nearly as large as last year. Land taken out of cotton and wheat, because of controls, will go into soybeans, feed grains, pasture. The production of livestock will be about the same--less poultry, more hogs.

Demand for farm products, however, is expected to strengthen.

Domestic demand for food will be as large as in 1954, maybe larger.

Export demand for U.S. products is likely to rise, perhaps 10 per cent.

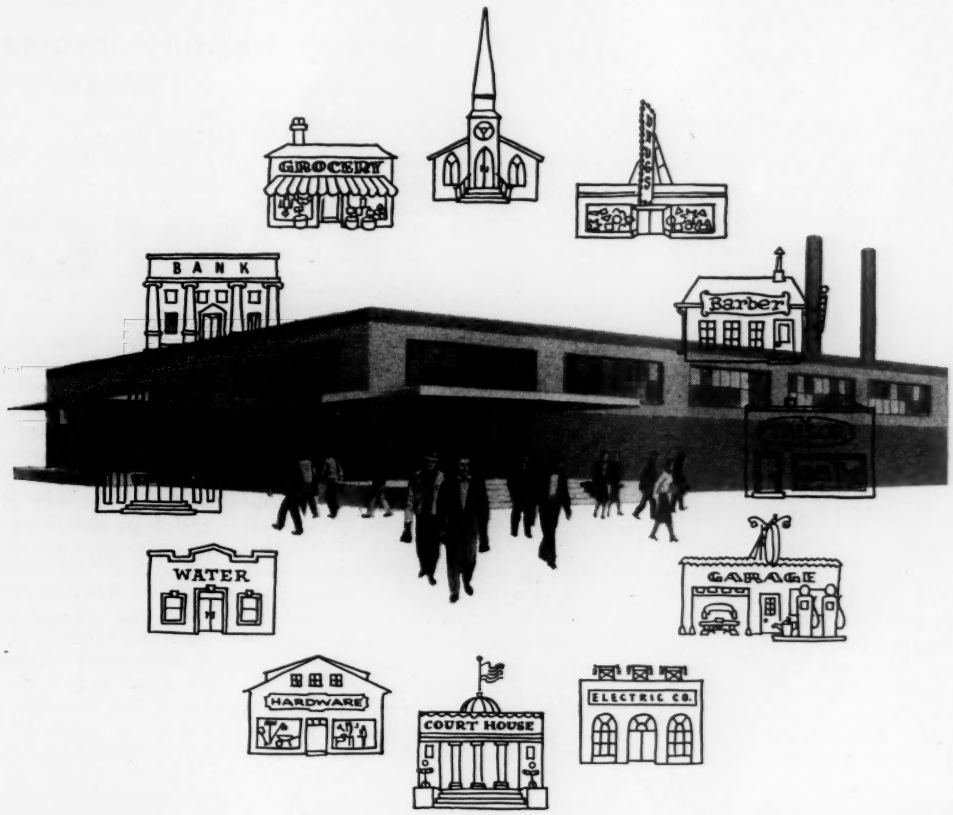
Export outlook is improving. Goods and services sold abroad are expected to top 18.7 billion dollars this year, against 17.6 billion in 1954.

Import buying is likely to rise, too, but will not match export volume.

Surplus sales abroad are now being put at around 2.3 billion for 1955.

, 1955

if your plant employs 100 people it's worth $590,000 a year to some town!



The average new factory employing 100 people brings its community $590,000 a year in capital investments, $270,000 more in bank deposits, 174 new jobs, $360,000 more in annual retail sales, and adds 296 more people who will vote, pay taxes, support churches and charities and make the community grow.*

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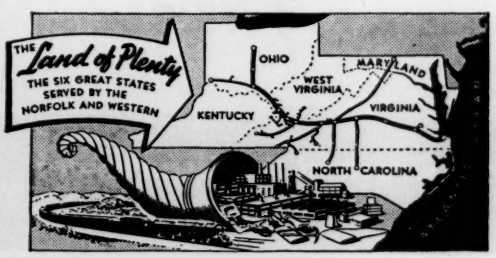

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ABOUT THOSE TAX "WINDFALLS"—

They're Not Hurting Treasury Income After All

There was, it seems, not much to the claim that U. S. revenues would be sapped by two tax "loopholes" opened up last year.

"Huge revenue losses"—in the billions—haven't shown up.

Now, Congress is taking a second look at new tax rules for which the Administration has demanded the death penalty.

Chances on a compromise are about even.

Discovery that the U.S. budget is not being wrecked—as some feared—by two new tax rules is giving those controversial rules better odds for staying on the law books.

With revenues rising, the budget definitely is on the mend. Congress, as a result, is being urged to reject an Administration demand for repeal of the provisions that give companies a new method of reporting income and outgo. Insistence of the country's top accountants that the new rules can be amended to avoid big revenue loss also is encouraging a compromise.

Result: Businessmen now have about an even chance that they will be permitted to go ahead with the switch to what is widely regarded as sound accounting practice.

At the same time, firms that have looked to these new rules for whopping tax savings on their 1954 incomes are almost sure to be disappointed. Most of the gravy is to be squeezed out of the new provisions—firms that have claimed big tax cuts on 1954 income are to be called upon to pay up more tax money.

No budget sabotage. What has happened since the House voted to repeal the two new accounting provisions is that tax collections from corporations have been running at high levels. Money flowing into the Treasury has washed out Democratic charges that the two tax aids to business would upset the budget.

It had been claimed before this development that "loopholes" in the now famous Sections 452 and 462 of the new Revenue Code would mean revenue losses running up as high as 5 billion dollars this year.

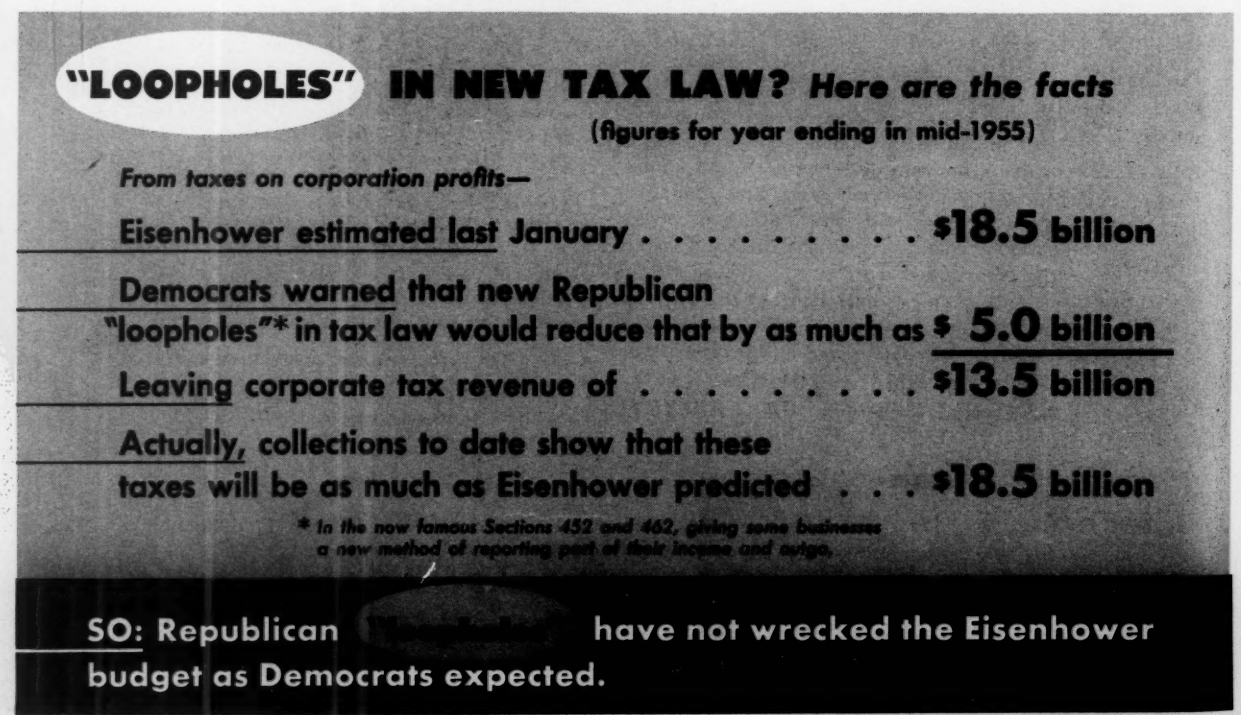
Secretary of the Treasury George M. Humphrey, avoiding specific estimates, had said the revenue loss would be many times the 47-million-dollar figure he gave Congress when he asked for enactment of the new provisions.

Now, neither the Secretary nor Congress can find evidence in tax collections to indicate that the budget will be smashed by the controversial changes.

Actually, the tax "take" from corporations, on their profits, is running almost precisely at the level of 18.5 billions predicted by the President last January. Apparently fewer firms than expected have shifted to the new accounting methods. And fears that business would use the new provisions for all kinds of unintended purposes are not holding up.

New estimates of revenue loss, too, have been offered to Congress by the American Institute of Accountants, which polled 13,000 corporations that account for about half of all corporation income taxes. The loss this year, said the accountants, would be no more than 500

(Continued on page 136)


"LOOPHOLES" IN NEW TAX LAW? Here are the facts
(figures for year ending in mid-1955)
From taxes on corporation profits—
Eisenhower estimated last January . . . . . $18.5 billion
Democrats warned that new Republican "loopholes"* in tax law would reduce that by as much as $ 5.0 billion
Leaving corporate tax revenue of . . . . . $13.5 billion
Actually, collections to date show that these taxes will be as much as Eisenhower predicted . . . $18.5 billion
* In the now famous Sections 452 and 462, giving some businesses a new method of reporting part of their income and outgo.
SO: Republican have not wrecked the Eisenhower budget as Democrats expected.

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Finance Week

. . . Firms based dividends on aid in '54 revenue law

million dollars, even if the two accounting provisions were left unchanged. With proper changes, the loss would be a fraction of that.

Now, with the Treasury still standing pat on its demand for a repealer, the Senate Finance Committee has put congressional tax technicians to work on ways to tighten the new provisions, instead of killing them.

To understand what might come out of all this, you need to take a look at the new tax provisions.

Boon to business. The big squabble is over a change that permits some companies—those on the so-called accrual basis of accounting—to deduct future expenses, even though those expenses might not be known precisely in advance. The controversy over this boon to business is best explained by example:

The dealer who sold you a television set last year also sold 999 others and, along with each, a one-year warranty for service. The dealer knew from experience that on each of those sets he would have about $20 of repair expenses this year. But, in figuring up his profits on the sale of the 1,000 sets last year, he could not deduct these future expenses—not, at least, under the old law.

The new law gave the dealer a method of deducting those service expenses from his 1954 income. Businessmen, accountants and the Secretary of the Treasury hailed the step as one establishing sound accounting practice.

Thousands try it. Businesses by the thousands switched to the new accounting method, figured their 1954 profits, paid out their dividends, put a portion of their profits into employe profit-sharing plans, and filed their tax returns.

Then the fur began to fly. The Treasury discovered what accountants had been warning all along, that businessmen were deducting two years' expenses all in one year. The TV dealer was deducting his actual service expenses during 1954—on sets sold in 1953—and service expenses expected in 1955 on sets sold in 1954. Other businessmen were deducting two years' expenses of other kinds—accrued vacation pay for employes, quantity discounts and a variety of other anticipated outlays.

It was only a one-year chance to double up, but, for each company shifting to the new method, it could mean substantial tax savings. To make matters worse, the law itself and the regulations issued by the Treasury had some gimmicks that, to businessmen, seemed designed to make trouble.

(Continued on page 137)

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. . . Treasury asked death penalty for new rules

For one thing, the law required that whenever a businessman chose to handle one kind of future expenses in this way he must handle all his future expenses in this way. So businessmen seemed forced to deduct as much future outlay as possible.

For another, the Treasury issued a notice to businessmen near the end of 1954 that, if they planned to use the new method, they must show it on their own books before the year end and report their income publicly in the same manner. So businessmen wound up their books for the year and paid out dividends from profits swollen by taking two years' deductions in one.

Litigation threat. All this occurred before the Treasury ever issued its specific regulations on the new accounting device. Thus, when the new regulations were issued late in January, restricting the new method in ways that businessmen and their accountants had never anticipated, the widespread threat of lawsuits arose. And the Treasury, aware that its restrictive interpretation of the law might never stand up in court, decided to throw the whole thing in the trash basket.

Now, the Senate Finance Committee is searching for a method to compromise the issue. If a compromise can be put through Congress, here is what it probably will do:

Kinds of expenses that can be deducted in advance will be cited in the law. Other kinds may be permitted at the discretion of the Secretary.

Size of these deductions probably will be subject to the Secretary's judgment.

Finally, the revenue loss that can result from doubling up on deductions probably will be spread out over several years or—just possibly—postponed indefinitely.

Generally speaking, these amendments—if adopted—will follow the recommendations made by accountants in the first place, before the changes were made in the law.

Postponing income. The other new accounting feature operates in reverse, permitting some businesses to postpone the reporting of income that they receive in advance of deliveries or services. Under that provision, newspapers and magazines—as examples—can ignore part of their receipts from subscriptions sold last year and report the income when they incur expense in producing and delivering their products this year.

That, too, squared with "sound accounting practices" and apparently en-

(Continued on page 138)

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. . . Fate of tax "loopholes": amendment or repeal?

tailed no substantial revenue loss to Government. Still, Mr. Humphrey demands that the device be repealed along with the provision for deducting future expenses. The reason, apparently, is that, if the deduction feature is abandoned, a TV dealer, for example, might achieve something like double deductions simply by shifting income over from one year to the next.

Life of the income-postponement feature, thus, depends on a compromise for the deduction feature. If the deduction feature can be salvaged, then it's expected the income-postponement feature can be kept, too.

In the end, the whole controversy is likely to turn on one question—whether the new changes can be patched up to leave the U. S. budget more or less intact.

If they can, then enthusiastic budget balancers such as Secretary Humphrey and Senator Harry F. Byrd, chairman of the Finance Committee, may still be persuaded to accept amendments instead of repealers.

Businessmen by the thousands are waiting to see.

› Bailing out banks. The Federal Deposit Insurance Corporation reveals in its annual report that it had to put up funds to save only two banks from insolvency during 1954. Of one, FDIC says: "A large amount of loans classified by examiners as substandard, doubtful, and loss indicated that the bank was insolvent." And of the second: "This bank suspended in September upon discovery of a large shortage." FDIC adds: "No depositor suffered any loss."

On the other hand, FDIC "brought charges of unsafe and unsound practices against 11 insured banks, the largest number . . . since 1942."

› Tighter credit. Trends in interest rates since a boost in the discount rate by the Federal Reserve System show what that credit-tightening move means for upcoming Treasury financing. When Government shrinks credit and boosts interest rates in order to discourage too much private borrowing, it also raises the price that it must pay for its loans.

That's to be important in the Treasury's search for something like 2.5 billion dollars of cash in May, and perhaps 5 to 6 billion in July. One dealer in Government bonds looks for a new Treasury certificate paying 1⅞ to as much as 2 per cent and a two or 3-year note paying —for, say, a two-and-a-half-year term— 2½ per cent.

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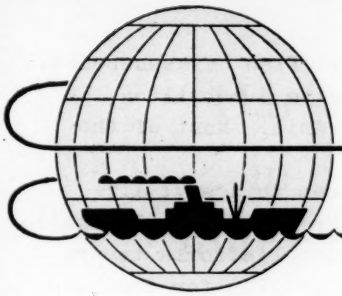

Business Around the World

LONDON • PARIS • WASHINGTON • NEW YORK

›› With an election next month, Britain's Conservative Government has come up with an incentive budget.....Income tax cuts for most everybody.

A big question in Britain is whether the result is to be more spending or more saving. British spending for some months has been pretty high, wide and handsome. So much so that the Government tightened up on credit late in February. Effect on domestic demand hasn't been noticeable--yet.

On top of that deflationary move comes the slightly inflationary cutting of taxes. The economic situation hasn't changed meanwhile. It's just that the Conservatives have decided to have an election before it does change.

Politicians like tax cuts. So do just plain people. (On page 26, you will find a comparison of British, Canadian and U.S. taxes.)

›› Some observers see more to the British tax cuts than just politics.

The Chancellor of the Exchequer, R. A. Butler, favors bold moves.

Boldly, he lifted trade controls, abolished rationing, freed the commodity markets when his opponents said these things couldn't be done. Yet they have been done--and successfully--in the last three years.

Boldly, he has risked precious gold and dollar reserves since February 24 in an attempt to strengthen sterling rates. That gamble is working.

Boldly, he now risks firing up inflationary spending tendencies by cutting taxes. But maybe the British now will work harder, produce more, and sell more overseas. Butler is gambling on that. If imports continue to increase and exports to lag, Britain will be headed straight for serious trouble.

Butler's boldness in economic matters has a way of paying off.....But, bold or not, tax cuts give the British a psychological lift before elections.

›› During the last year in Britain, consumer spending has been showing some big new bulges in certain lines.....For example, for cars and gasoline.....for household goods and appliances.....for fancier clothing and better food.....In other words, the British, after long austerity, are spending more on luxuries.

This trend is not peculiar to Britain.....You find it pretty much all over Western Europe.....People are buying much more freely than ever before.....This isn't panicky buying.....It's mass buying.....More people are buying and they are buying more different kinds of things.....Idea of a mass market developing at their doorsteps is somewhat startling to many European businessmen used to low volume, high unit costs and wide profit margins.

›› Evidence of Western Europe's prosperity is given in President Eisenhower's foreign-aid message. No new economic aid is to go to the Marshall Plan

(over)

countries in Europe. They are on their feet. The Marshall Plan has succeeded.

Foreign-aid program for the year starting July 1 runs to 3.5 billion dollars. About two thirds of this is intended for use in Asia. Most of the rest is military aid for European countries.

By function, the 3.5-billion-dollar program breaks down this way: 1.7 billion for military aid (weapons, planes, etc. supplied by the U.S.); 1 billion for "defense support" (includes U.S. contributions to national efforts to arm--such as help in getting munitions factories started); 712 million for economic aid; 100 million in a flexible contingency fund.

Actual U.S. spending on foreign aid in the next fiscal year will be just about the same as this year--about 4.7 billion. Carry-over of past appropriations and obligations will keep spending at this level. It is pointed out that three out of every four dollars appropriated for mutual security are actually spent in the U.S. for food, other commodities, machinery and services.

>> Foreign economic aid is to be distinctly oriented toward the "free arc" of Asia--the countries stretching from Japan and Korea around to Pakistan and Afghanistan. The President's message on foreign aid stresses this area and its problems--also a matter of discussion at the Bandung Conference.

A new feature of U.S. economic aid is tailor-made for the countries in the Asian arc. This is the President's proposal for a firm, annual commitment of 200 million dollars for grants or loans. In other words, a continuing commitment to help supply capital for development purposes.

These Asian countries must take initial responsibility for their own industrial and agricultural development. Hope is that they will come forward with plans and whatever capital, governmental or private, they can provide. The assurance of a continuing availability of American capital should stimulate planning. The 200 million fund is thought of as a way to help prime the pump.

Use of this fund will be co-ordinated with economic-development plans of the Colombo group of Asian countries formed in 1950.

The U.S. is being very cagey about how it offers aid of this type. There must be nothing smacking of "colonialism." The Asian countries must not get the idea that the U.S. is forcing them to do anything. Many "free" Asians are touchy. Washington wants to help them but wants them to take the initiative.

It's a delicate matter--not to be rushed. But, at the same time, there's a certain urgency. Russia and Communist China are making attempts at economic penetration in India, Afghanistan, Burma, Indonesia, Malaya, Japan.

The arc of free Asia is obviously the new East-West battleground.

>> U.S. retailers' proposal that a merchandising mart for foreign goods be set up gets enthusiastic backing from Government circles in Washington.

A "shopping center" is envisaged in New York City where American retail buyers could view foreign-made consumer goods. These foreign goods would be exempt from U.S. tariffs until they left this unique market place.

Advantages are seen for buyers who could conveniently see many products at once and for foreign sellers who could more easily find out current tastes and needs in the U.S. market. Foreign production peculiarities and American merchandising requirements frequently lead to misunderstandings now.

Possibility of establishing similar "free zones" in San Francisco, Dallas, and Chicago also is being discussed.

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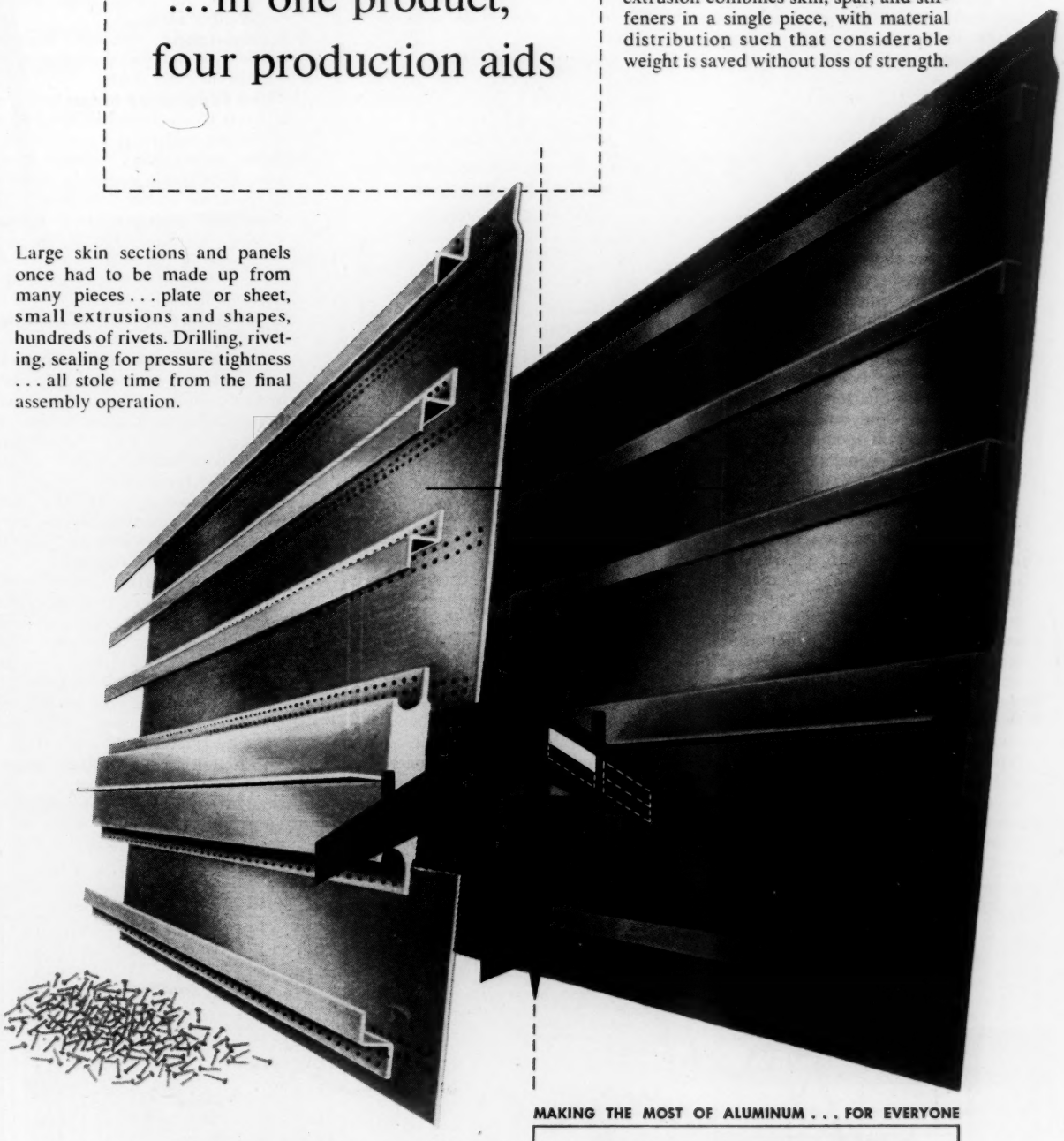

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PLUS & MINUS
Latest Indicators of Business Activity

Steel production has climbed to a record, and auto output is above previous peaks. Future business trends largely depend on these industries and on construction; at present these groups have led into new high ground.

The Federal Reserve Board's decision to raise the rediscount rate and its policy of allowing money to tighten are mild restraints against possible inflation.

Daily-average steel production in April was at a record high. On an annual basis, as shown in the top chart, April production was at a 118.8-million-ton rate, topping the previous high, 118.7 million tons in March, 1953.

No letup in demand for steel has yet appeared. Order books are reported full for second-quarter delivery, with substantial demand reaching into the third quarter. Mill operations averaged 88 per cent of capacity in the first three months of this year and are now above 95 per cent. But the large supplies are still being channeled into consumption and not stocks.

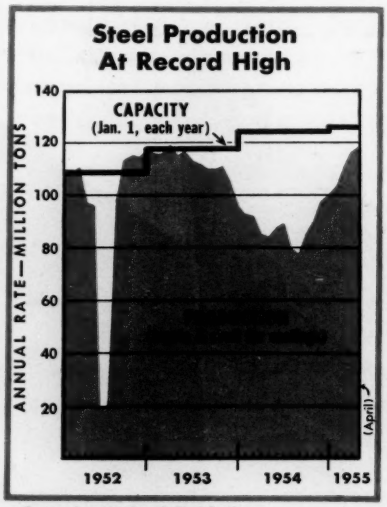
Sheet steel is tight, with deliveries falling behind schedules. Demand is heavy from the auto and other consumer-goods industries.

Plate steel is becoming tighter as railroad needs increase and compete with pipe requirements.

Structural shapes remain in strong demand. Heavy-construction-contract awards in 15 weeks this year were reported by *Engineering News-Record* at $4,970,000,000, up 46 per cent from a year earlier.

Auto factories continue to devour steel, taking about 25 per cent of the metal compared with 19.5 per cent last year. The industry reports no accumulation of steel stocks.

Passenger-car inventories are rising, however. On April 1, dealers held a record 624,277 units, *Automotive News* reports. But with sales running at 27,000 per day, compared with 17,700 per day a year ago, stocks are not considered burdensome, as at the previous high, 607,275 on May 1, 1954.



Source: American Iron & Steel Institute
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Consumer demand for appliances also has been strong. Factory shipments in two months this year compared with last year show gains of 55 per cent for dryers, 30 per cent for washers, 22 per cent for vacuum cleaners and ranges, 17 per cent for freezers and 7 per cent for refrigerators, according to *Retailing Daily*.

Industrial-fabric demand has been heavy, not only in the auto industry but also in other fields.

Unfilled paperboard orders in the week of April 16 amounted to 514,762 tons, up 36 per cent from a year earlier.

Freight carloadings, rising steadily, were 8 per cent higher in April than in the same month last year.

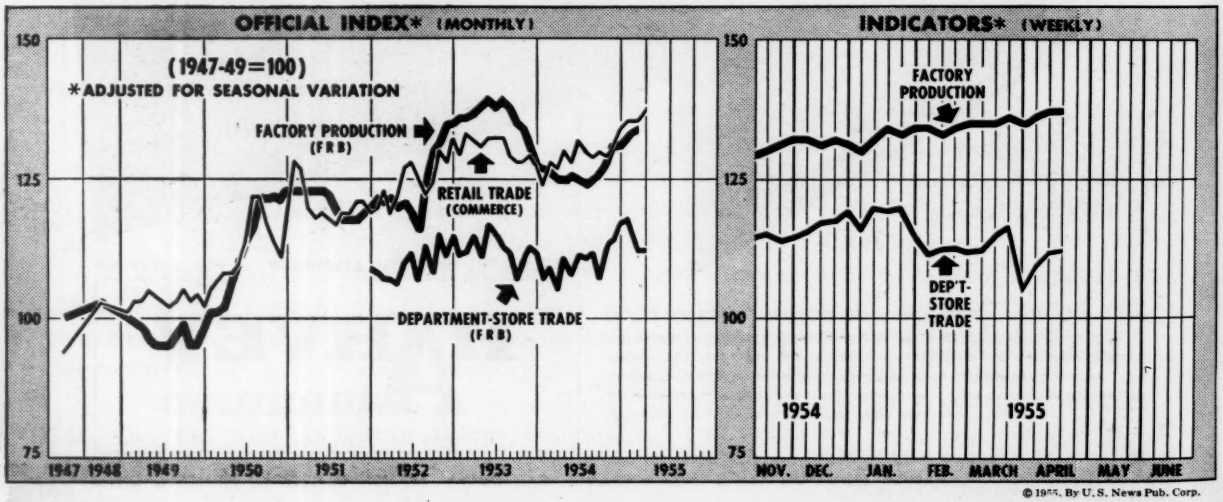
Commercial and industrial loans of weekly reporting member banks rose 168 millions through April 13 this year, compared with a decline of 822 millions in the same period last year. Gains were numerous, with the biggest increases showing up in these groups: metal products; petroleum, coal, chemicals and rubber; textiles, apparel and leather; public utilities; sales finance.

Industrial-goods shipments may establish a record this year, with at least a 10 per cent gain over 1954, the manufacturers forecast.

Soft-coal output appears to be past the worst of its depression and on the way to a 12 per cent increase over 1954, industry estimates suggest.

New capacity goals for electric utilities, set by the Office of Defense Mobilization, reveal a more optimistic official appraisal of the long-term business outlook. ODM now seeks capacity of 150 million kilowatts by year end, 1958, against the earlier goal of 117 million kilowatts by year end, 1956. Present capacity is 103 million kilowatts.

With activity expanding on many fronts, a clue to the basic strength of the current advance is expected when auto output begins to taper off from the present record rate.



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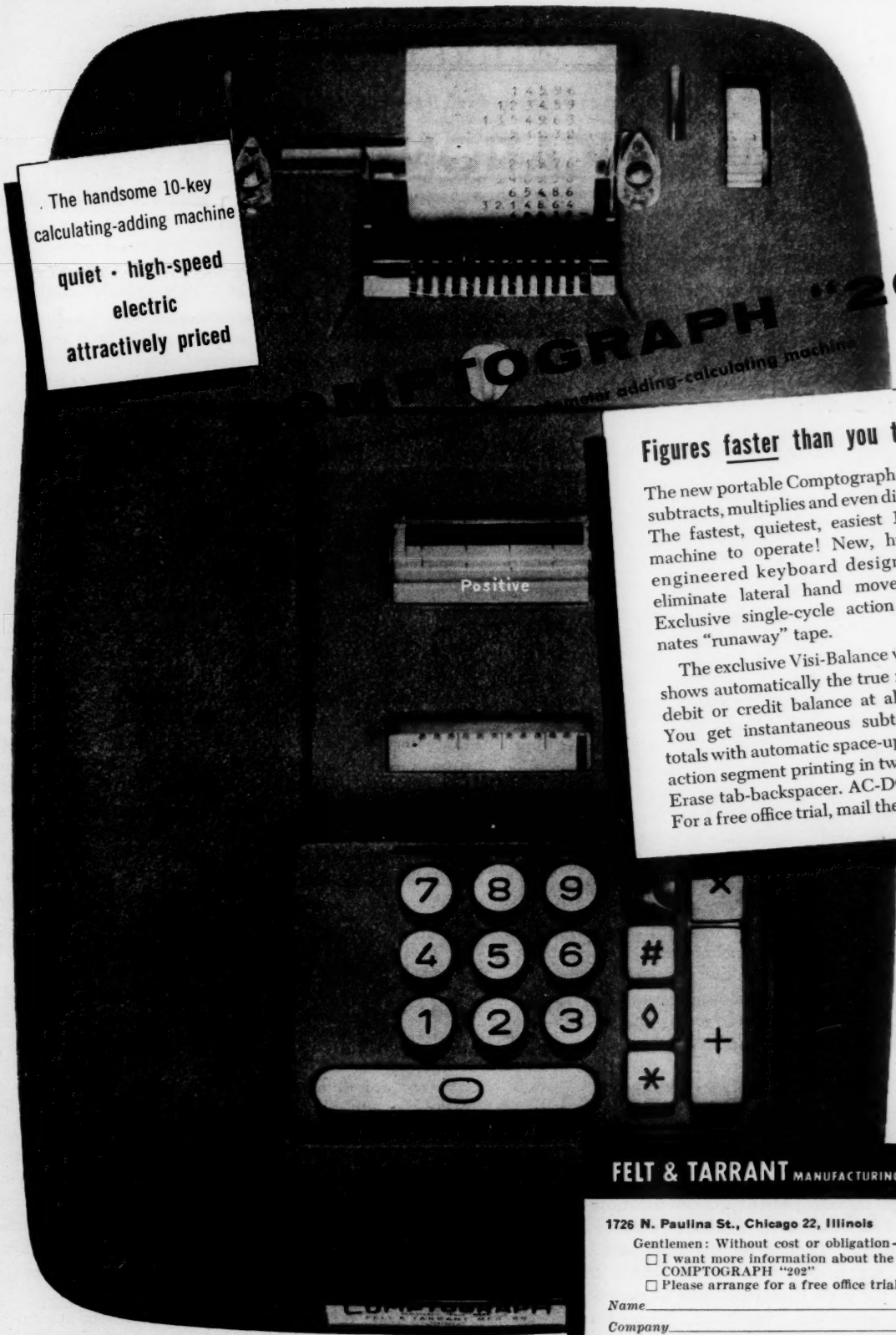

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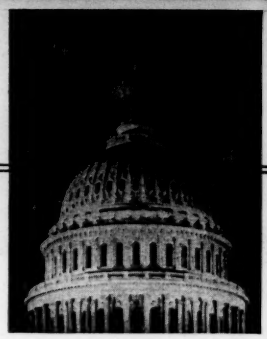
(This page presents the opinion of the Editor. The news pages are written by other staff members independently of these editorial views.)



COMMUNICATION

BY DAVID LAWRENCE

"COMMUNICATION" is perhaps the most important word in the vocabulary of our times.

Communication is not merely the transmission of written or spoken messages through the printed word or the radio.

Communication in its finest sense is the achievement of understanding between peoples, irrespective of the mistakes and blunders made by men in government who sometimes misconstrue the limits of their temporary power.

Communication sometimes belies its name by actually setting up barriers to understanding. It can be mischievous, as when propaganda seeks to mislead public opinion.

Communication must begin with the common man—with his normal and natural desire for survival. He fears no enemy if no enemy threatens him. He would prefer to live without fighting his fellow man. He wants only an opportunity for himself and his family to remain unmolested. How can he communicate his ideas and desires to everybody else?

Whether it be among the millions of people in Soviet Russia or in the satellite states or in the countries on our side of the Iron Curtain, there is everywhere an instinct for peace and a desire for friendship. When troops in allied armies were able to get together in the last war, there was a noticeable tendency among them to fraternize, irrespective of the ideologies of the governments at home.

If peoples could communicate with peoples, there would be no war clouds. If peoples could achieve the same mutual trust in the international community that they often attain in a national community, armament could be reduced to the point where only the force adequate for domestic police purposes would be necessary.

Communication, therefore, presents the biggest challenge to the world today. What can be done to advance it on the positive side, and what can be done especially to remove the negative characteristics that emerge in our present communication system?

The press and the radio, it must be confessed, are at times destructive. Though for the most part constructive, there are many instances in which the speed with which the press functions leads to sketchy reporting and fragmentary dispatches being transmitted from country to country.

Sometimes, for example, before an hour has elapsed the words of a presidential press conference, paraphrased and condensed, are transmitted to other capitals of the world. Comment is immediately sought by newsmen abroad from foreign governments. Further study of a complete text would have resulted in many cases in an entirely different kind of public comment—if, indeed, any were needed.

The same thing often happens in our country. Within minutes, an offhand comment by a member of Congress or by officials in the executive branch of the Government is relayed back and forth on the news tickers, and this frequently results in impromptu remarks that are immediately broadcast. Speed is here the creator of discord. Before there is time to think things through, emotions are aroused and friction is generated.

On the international side, we in America do not get enough information about the attitudes of other peoples, and it is evident that Europeans get a distorted picture of our own national mood and purpose.

The idea, for instance, that America or any part of it wants to go to war for war's sake is so preposterous that one wonders how anyone could transmit to Europe such a report on America's intentions. Then one discovers that, in their anxiety to get political advantage, some Senators in our own Congress have been publicly accusing American officials or other members of Congress of seeking war. This is one of the grave aspects of present-day communication.

The words of a Constitution that guarantee freedom of speech are essential, but they do not teach us self-restraint.

We must come to recognize that communication is a basic force which cannot be used constructively unless it is inspired by a God-given honesty, fairness and tolerance.

When communication in man-made controversies is faulty, it is because communication between God and man is impaired. Only when in the human heart there is a consciousness of the presence of God—sometimes called Conscience—will communication between individuals become effective in the interest of peace.

Only when all precepts of national or international policy, political or economic, pass the test of a spiritual conscience, can we begin to master in our times the real art of communication between peoples.

For when peoples can communicate their innermost feelings freely to other peoples—as honesty in communication is achieved—major conflicts will vanish from the earth and we shall enjoy an enduring peace.

The steel that could take anything but a bath

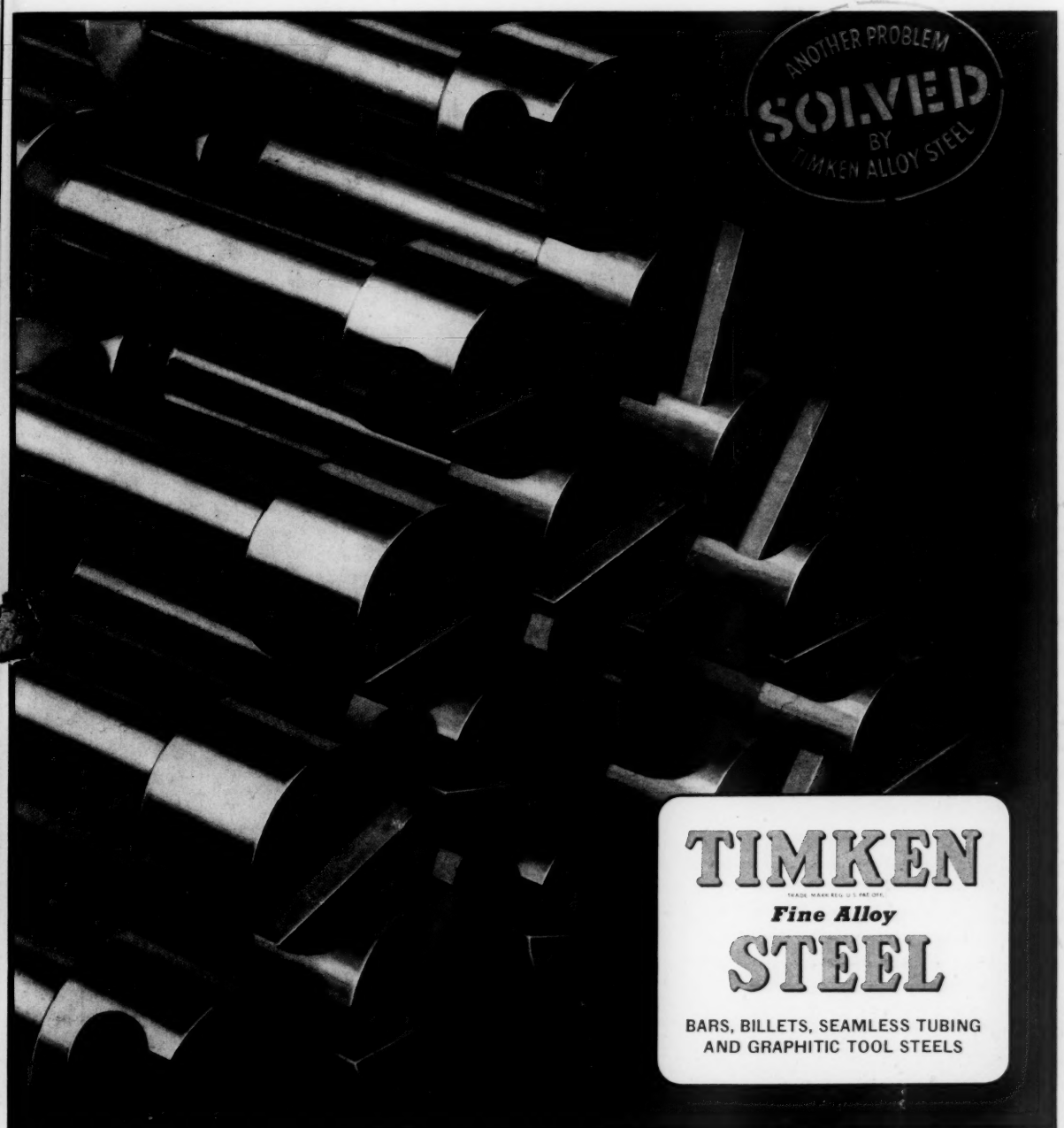
IN steel mills and warehouses, a roller leveler straightens wide sheets and heavy plates between powerful steel rolls and shoots them out flat and level.

As you can imagine, the stress on the rolls is tremendous. To make them strong enough and tough enough, one roll manufacturer was using an alloy steel, 52100. Then to make the rolls *hard* enough, they were heated to a high temperature and quenched in a liquid bath. But the severe quench was causing many of the rolls to warp.

The roll maker brought his problem to metallurgists of the Timken Company. "Could rolls be made from 52100 steel that wouldn't distort in quenching?" Their considered answer: Yes—if the steel were uniform, from lot to lot, in analysis and hardenability.

So the roll maker switched to 52100 steel made by the Timken Company. They found the steel *was* uniform—lot to lot . . . heat to heat . . . year in, year out. The roll maker was able to standardize his heat-treating practice. Since the switch to Timken steel, distortion has been practically eliminated.

Our files bulge with scores of problems that have been "Solved—by Timken Alloy Steel". Can we help solve a steel problem for you? Write: The Timken Roller Bearing Company, Steel and Tube Division, Canton 6, Ohio. Cable: "TIMROSCO". Tapered Roller Bearings, Alloy Steels and Seamless Tubing, Removable Rock Bits.



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